Daily Report

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FBIS-LAT-91-153 *8 August 1991*

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Cuba

ANAP Distributes Rifles to Peasant Detachments

FL0708190291 Havana Radio Reloj Network in Spanish 1411 GMT 7 Aug 91

[Text] The provincial directorates of the National Association of Small Farmers [ANAP] and the Ministry of the Interior in Granma Province have begun distributing rifles to peasant patrol units. These first rifles were handed out by Orlando Lugo Fonte, president of the ANAP, and by Alfredo Enriquez, first secretary of the party in Granma Province, with the objective of reinforcing revolutionary vigilance in rural areas. Lugo Fonte said that due to the need to strenghten the fight against crime, the group is composed of members from farming, service, and credit cooperatives. The president of the ANAP said that the distribution of rifles to the cooperative members, so they can safeguard their interests, confirms the close ties between the peasants and the socialist revolution.

Communist Leader Rejects Bush's Meddling

FL0708211091 Havana Radio Reloj Network in Spanish 1950 GMT 7 Aug 91

[Text] Ivan Antonovich, member of the Politburo of the Russian Communist Party, has characterized as inadequate the comments made by U.S. President George Bush in relation to Soviet aid to Cuba. The communist leader said that determining collaboration with other states is a domestic matter and that no one can dictate conditions to the USSR for relations with Cuba.

Raul Castro Gives Awards to Portuguese Officers

FL0808015591 Havana Cuba Vision Network in Spanish 0000 GMT 8 Aug 91

[Excerpts] Army General Raul Castro Ruz, second secretary of the Communist Party of Cuba and minister of the Revolutionary Armed Forces [FAR], presented the Solidarity Order to two retired Portuguese officers, General Vasco dos Santos Gonsalves and Admiral Alba Rosa Cautino, during a solemn ceremony at the FAR Ministry headquarters.

The award bestowed by the State Council of the Republic of Cuba recognizes both officers for their outstanding contributions for more than 15 years to the development and strengthening of friendship ties with Cuba. Also in attendance at the ceremony were Army General Abelardo Colome Ibarra, Politburo member and minister of the interior, and Division Generals Ulises Rosales del Toro and Senen Casas Regueiro, as well as other high level officials. Ulises Rosales del Toro spoke before the medals were presented.

[Begin Rosales recording] Dear FAR minister, comrade guests: The revolutionary awakening that Portugal experienced on 25 April 1974 made the names of righteous Portuguese officials famous. The forces of renewal set free in Lisbon on that occasion earned the immediate respect of all peace-loving nations. For this reason, during this simple ceremony, we recognize the accomplishments of two distinguished combatants, comrades Vasco Gonsalves and Alba Rosa Cautino. [end recording] [passage omitted]

After the solemn ceremony, the honorees and their families held a reception with all present in an atmosphere of friendship and respect.

Commentary on Iranian Hostage, BCCI Scandals

FL0708171591 Havana Tele Rebelde Network in Spanish 1150 GMT 7 Aug 91

[Station commentary]

[Text] There is a little more than a year remaining before U.S. Presidential elections take place. It seems that George Bush is concerned about things that were done before and after he took office. These concerns were validated by the recently issued congressional order to investigate accusations of a premeditated delay in the release of the Iran hostages in 1980.

Remember that in the middle of last May, the world learned of a scandalous version of the hostage crisis linking Ronald Reagan and George Bush to a secret agreement with the Tehran government made just before the 1980 elections. According to this version, it was agreed that the release of the 52 U.S. diplomats being held in Tehran would be delayed, to the detriment of then-President Jimmy Carter, the Democratic candidate for reelection. The scandal was revealed thanks to disclosures made by an ex-advisor to Carter, Mr. Gary Sick.

These revelations served as a preamble to the promotion of a book on the subject written by none other than the ex-Iranian President Abolhassan Bani-Sadr. This book was published in the United States under the title, *My Turn to Speak: Iran, the Revolution, and Secret Deals With the U.S.*

Remember that with the strange coincidence of the Iran hostage scandal, Bush began to suffer from irregular heart rhythms and hyperthyroidism—a dual condition from which he appeared cured until he learned of Congress' decision.

This charge concerning the hostage matter indicates that then-CIA Director William Casey arranged with the Iranian Government a deal by which the diplomats would not be freed until after the 1980 elections. In this way, the already-deteriorating campaign of President Carter would have nothing to offer potential voters and they would favor—as we know they did—the election of Ronald Reagan to the Presidency of the United States. [words indistinct] the hostage crisis. The matter has every indication of being a major scandal if these hypotheses are verified. Two commissions—one from the Senate and the other from the House—have to determine the degree of responsibility of George Bush.

Remember that Bush was Ronald Reagan's running mate and vice president during his administration. Nothing went on in the White House without his knowledge—as if the list of scandals from past U.S. administrations were not known by the whole world, or as if no one knew what shape and form the fight for power in the United States could take. A spokesperson for the House of Representatives hurriedly denied that the congressional investigations have a political purpose or that political pressure exists.

The congressional investigations on the hostage scandal will have to clarify why all the efforts of then-President Carter to get the 52 captive diplomats in Iran home for Christmas in 1980 failed. By election time, this fact, together with the previous failure of the military mission for the hostages' rescue, authorized by President Carter in April of 1980, caused him to be considered one of the most erratic presidents of the United States. That was the end of his political career and, of course, his hopes for reelection.

In any case, before the investigating committees can begin their study, they must wait for the middle of September since Congress has recessed for the summer. Nevertheless, in Washington, [words indistinct] capital of the United States, the press is predicting that there will be heated debates in the next sessions of the House on another scandal—the true proportions of which are difficult to define. This deals with the famous financial scandal centered around the Bank of Credit and Commerce International [BCCI], with its head office located in London, England. They claim that this bank and its executives allowed millions of dollars, [illegible]2 million, to flow to high-level U. S. political figures as payment to prevent any kind of investigation into its dark operations.

The scandal has just recently come to light and brings to mind a very popular saying in the United States, which I, of course, cannot translate literally, but which goes something like, the shit has hit the fan. Of course, the commotion that the BCCI scandal is causing, in and outside the United States, promises to become the next topic of news. But for now, thank you for your attention my friends. Until our next meeting.

Matanzas Supertanker Base Begins Operation

FL0808142491 Havana Tele Rebelde Network in Spanish 1302 GMT 8 Aug 91

[Text] With the arrival of a Soviet super tanker on Tuesday, the operations of the oil pipeline and the pumping of crude oil between Matanzas and Cienfuegos have begun.

[Begin correspondent recording] This is the so-called separator [masisada], 187 km of pipeline. In other words, air and water are removed from the pipe as it is filled with crude oil. This takes five days to complete. What is needed to fill the pipeline is 35,000 tons of petroleum, moved by a powerful pump at two km per hour. The Friendship Pipeline, constructed by Soviet specialists, is part of a great work: the Matanzas supertanker base.

For the first time, the country has a port where oil tankers like this one can discharge 140,000 tons of petroleum, store it, and send it, as in this case, to Cienfuegos through the pipeline. So that you have an idea, this will reduce transportation costs by three times. The pipeline will also carry crude oil to Cienfuegos for Santiago de Cuba's refineries, where it will be moved to Santiago de Cuba by smaller ships.

[Unidentified worker] Essentially, our work is completely finished now that the pipeline is being stocked. There should not be any problems. I do not believe there will be any problems now that we have finished the initial start-up of the complex and everything is working fine. We have already resectioned several tanks for fuel. We believe that the remainder of the fundamental supply operations, leading to the successful completion of the project, is under control. There should be no problems.

[Correspondent] The supertanker base, with four tanks, has the capacity to store 500,000 tons of petroleum, and the Friendship Pipeline, working at maximum capacity, can pump more than 6 million tons of oil annually.

[Worker] We hope everything will be ready as projected.

[Correspondent] With the completion of this pumping station in the next five days, the Friendship Pipeline will be ready for regular operations. [end recording]

* New Plan To Collect Recycled Glass Explained

91P40396A

[Editorial Report] Havana TRIBUNA DE LA HABANA in Spanish of 11 July 1991 on page 2 reports that the Raw Material Collection Enterprise of Havana City has begun the door-to-door purchase of glass jars. Push-cart drivers have begun to visit homes to purchase glass containers for 10 cents each. According to the article, people who do not have time to bring their used jars to a recycling center will in this way be able to recycle their containers. The article further reports that 1 million containers have been recycled in the past six months and that future recycling plans include extending visits to business establishments to collect paper and metals in addition to glass.

* Home Delivery Service of Groceries Discussed

91P40396B Havana TRIBUNA DE LA HABANA in Spanish 5 Jul 91 p 3

[TRIBUNA DE LA HABANA interview with Arturo Montero, director of Retail Trade for Havana City; place, date not given; first three paragraphs are TRIBUNA DE LA HABANA introduction]

[Text] "Grocer, what's going on?" So goes the song from the 50's, and that is what people are asking in grocery stores and supermarkets. "What's happening? Isn't this line ever going to end?"

And the grocer, so it seems, is beside himself when it comes to answering such concerns—surrounded by customers with their ration books at the ready, crowded around the counter—between taking money and the shouting "Who's the last person in liine...?"

That is the way things are, we suppose, and who is in a better position to answer the questions of 2,109,000 residents, whose daily food supply in the final analysis depends on the lines in the capital's stores, than Arturo Montero, director of Retail Trade for Havana City.

[TRIBUNA DE LA HABANA] Will the lines improve with regard to waiting and service?

[Montero] The general supply situation is what is causing the sporadic delivery of goods to the units; this forces people to make repeat visits to supermarkets, grocery stores, etc. It also adds to the burden of workers in each establishment. This is an objective and inevitable problem.

The solution is to facilitate the placement of orders, shorten lines, and cause less hassles, and thus relieve the pressure on our workers. For this purpose we have come up with two measures: delivery people and the placement of grocery orders.

Customers may choose either option, and will pay an additional charge for groceries that are delivered to their homes, or will leave their ration books and grocery baskets to be picked up later if they place orders.

A delivery person can be anyone with suitable qualities who is acceptable to the community. Delivery people will not stand in line and will be paid a set fee.

The idea of placing orders picks up where the Grocery Basket Plan left off. It was first designed for party members, but will be extended to the remainder of the population if establishments prove to be capable.

[TRIBUNA DE LA HABANA] When will these measures begin?

[Montero] Deliveries began three months ago in certain units including the supermarkets in Alturas de La Habana and Boyeros. Placing grocery orders is in an earlier stage.

[TRIBUNA DE LA HABANA] What is needed in order to move ahead with these measures?

[Montero] These are not difficult ideas to implement and we aim to use them in all establishments. Implementation simply depends on managers, zones, and municipal enterprises of the Retail Trade, and on the initiative of mass organizations. There is no centralization, no directives, just some general rules which have already been set, as well as the logical adjustment to local conditions.

[TRIBUNA DE LA HABANA] Are these the only measures?

[Montero] No, we also intend to improve service in all food stores, especially the minimax, where we are very disappointed in the shortcomings that have come to our attention.

We also have other ideas such as changing the self-service system in the minimax by setting up a direct-order system. This does not mean converting supermarkets into grocery stores.

We would set up counters or "islands"—as many as space permits—in the store. Each counter would have more than one clerk, a number of ration books, and a cash register, and would sell everything except beef products, fish, milk, oils, and so on, for obvious reasons. We feel that this will improve service, control, and aesthetics; although we will know when it goes into operation.

This new system will soon operate in the Latino supermarket, in Cerro municipality, and will be extended to the remaining 207 similar establishments in the province, starting with the 137 largest, if the results are good.

[TRIBUNA DE LA HABANA] So far you have not included agricultural products. What is the plan for improving distribution?

[Montero] Customers will be assigned to the new food markets, which have been built by the residents themselves. Depending on the locality, the trade zone, people's council, or municipality will do the assigning.

There are 895 units in this plan, including supermarkets and mixed grocery stores (which sell meat and vegetables in addition to the usual products) which have not been replaced by the new markets, keeping in mind the existing system of regular sales.

This system should be in operation in July and we hope it will benefit residents and workers.

[TRIBUNA DE LA HABANA] You have spoken of the measures themselves but what guarantees do the people have that they will be carried out?

[Montero] Discipline is essential. To achieve the necessary discipline we are examining the best mechanisms to support it, similar to what was done in the Health and Tourism sectors and the contingents. We plan to apply these mechanisms soon.

We are also considering firing people in cases of serious discipline problems and increasing management requirements. The trade zones, which have been given duties and responsibilities, would play a decisive role. Each zone chief will have the power to replace managers.

The People's Council and Enterprise of Retail Trade in each municipality will oversee the trade zones.

Barbados

Workers To Bear Unequal Burden Under IMF

FL0708134091 Bonaire Trans World Radio in English 1130 GMT 7 Aug 91

[Text] For two years now, the Barbadian Government has experienced a declining foreign exchange earning. Now they've made a stand-by arrangment with the International Monetary Fund [IMF]. Central Bank Governor Dr. Curley King says the basic agreement has been concluded, but the government must still initial the document before it is announced officially. We asked correspondent Dale Miller from Bridgetown if there is any adverse reaction to the terms of the IMF.

[Begin Miller recording] The unions are not satisfied with the fact that workers will have to be laid off and that they will have to pay a pay cut, public sector workers, okay? They say that they have to bear too much of the [word indistinct] burden, for this meeting on Thursday is expected to convey this whole feeling to the government, along with other options which can be used to cut the $40 million. It is not known if the IMF wants $40 million cut from the wage bill in addition to other cuts in government expenditure. If that is so, that means that you have to cut the wages anyhow. As soon as the prime minister announces in more details about exactly what is in our pockets, I guess you'll hear the uproar from different sections of the economy, because we were hearing things like: government's going to have to start a privatization program; it's going to have to cut secondary free education, you'll be hearing things like that, but nothing concrete as yet. [end recording]

Dale Miller from Barbados. The government there has been trimming their expenses in cutting back staff hours.

Dominica

Labor Party Leader Backs Soviet Aid to Cuba

FL0608225691 Bridgetown CANA in English 2159 GMT 6 Aug 91

[Text] Roseau, Dominica, August 6, CANA—Opposition Dominica Labour Party (DLP) leader Michael Douglas, observing that the Soviet Union's aid to Cuba trickles down to Dominica, has supported continued Soviet aid to the Communist-ruled Caribbean island.

"Aid from the Soviet Union does find its way through Cuba to us here in Dominica via our scholarship and casualty evacuation programmes (with Cuba), and we would like this to continue," Douglas said in an interview. Douglas said reforms which have swept other Communist-ruled countries will change Cuba but his DLP prefers a gradual process which does not punish the Cuban people.

He said moves are being orchestrated by the U.S. Administration to persuade the government of the Soviet Union to cut its aid and so force Cuba into line with political and economic reforms taking place in other Communist-ruled countries.

According to Douglas, Cuba is this year offering another nine university scholarships to young Dominicans through the DLP. "All of this comes from Cuban aid and costs us nothing. So that any suggestion that Cuban aid from the Soviet Union be curtailed does not sound as music to our ears," Douglas said.

"I think Cuba will fall in line with what seems to be an international global trend, but to punish the Cuban people for not coming into line as quickly as someone else would want them to fall into line is another matter," Douglas said.

"One has to coerce, but not bring about any change that is going to crack at the seams and to let a lot of people suffer over a very short period of time," he added.

Dominican Republic

Reformist Party Official Lauds Balaguer Efforts

FL0708154591 Santo Domingo Cadena de Noticias in Spanish 1215 GMT 7 Aug 91

[Text] The political secretary of the Social Christian Reformist Party insists that this is not the time to be worrying about presidential candidates. Dr. Juan Aristides Taveras Guzman says that right now the most important thing is that the government work to stabilize the economy.

[Begin Taveras recording] Fortunately, the situation continues to respond positively to the ability and success of Dr. Balaguer. He has completely stopped the problem of inflation and it is improving. The transportation problem is resolved. Water problems will be resolved. Now he is turning his attention to the serious electrical problem. He has just provided the guidance needed to urge teachers to return to their jobs, and he is searching for solutions in the other sectors. [end recording]

Taveras Guzman also said that the country does not want strikes, but needs their problems to be resolved. [passage indistinct]

Haiti

President Aristide Addresses Youth Rally

FL0508222591 Port-au-Prince Radio Metropole in French 1600 GMT 5 Aug 91

[Italicized passages in Creole]

[Text] The truth surrounding the 7 January bid for power did not come to light despite the 29 July trial. This was expressed by President Aristide, seven days after Roger Lafontant was sentenced to life in prison for the 7 January coup. Yesterday, Jean-Bertrand Aristide was

speaking at a youth rally. He thinks that without popular pressure and the pere lebrun [necklacing torture] threat in front of the courthouse, the sentence to life would not have been chosen in Lafontant's case.

The head of the state explained that the Constitution did not provide for the necklacing torture but it does not bar this practice. President Aristide points out that the Haitian people acted by the law in not reacting angrily in the wake of the sentence of life in prison given to Lafontant and his colleagues. Let us listen to Aristide.

[Begin Aristide recording] *Was there pere lebrun inside the courthouse? [audience yells no] Was there pere leburn in front of the courthouse. [audience yells yes] Did the people use pere lebrun? [audience yells no] Did the people forget it? [audience yells no] Did they have the right to forget it? [audience yells no] Do not say that I said it. [laughter] [passage indistinct]*

In front of the courthouse, for 24 hours, pere lebrun became [word indistinct]. The Justice Ministry inside the courthouse had the law in its hands, the people had their cushion outside. The people had their little matches in their hands. They had gas nearby. Did they use it? [audience yells no] That means that the people respect [audience yells the Constitution] Does the Constitution tell the people to forget little pere lebrun? [audience yells no]

Therefore, when those inside know what is going on outside, those inside are obliged to follow the 13 [not further identified]. So not to step on.... [Audience: Answer indistinct] [Aristide repeats phrase] Is the 14th part [not further identified] in the hands of the people or in the hands of the 15 percent [not further identified]? The 14th part is in the hands of the masses. The people are the law, meaning what they do is constitutional. The law respects the Constitution.

When the people heard: life in prison, the people forgot their little gas and little pere lebrun. Was pere lebrun used on that day? [audience yells no] If it had not gone well, would the people have used pere lebrun? [audience: yells yes] Therefore, when through education one learns how to write pere lebrun and learns how to think pere lebrun, one does not use it when it is unnecessary. One learns how not to use it; where not to use it. [end recording]

These Aristide statements evoked several comments from the young people gathered yesterday at a rally in Croix-des Bouquets. One participant favored reform in the Justice Department. For him, one cannot talk about a state of law by intimidating the judges. One of his friends took the opposite view and stated radically that even the team now in power was not exempt from pere lebrun in the event the current team wants to put a spoke in wheels of the 16 December power. The participants strongly applauded this statement.

Following the exchange of views among the young people, President Aristide stated that he wanted to respect each one's opinion and pointed out that his wish remained to eliminate the pere lebrun practice by the establishment of a state of law but, cautiously, said the president. The end of pere lebrun is conditional on the eradication of corruption and crooked dealings.

Speaks on Literacy Campaign

FL0508230091 Port-au-Prince Radio Metropole in French 1600 GMT 5 Aug 91

[Excerpt] The goal of the youth rally was to exchange view points on the upcoming literacy campaign. On this matter, the president stated that literacy was the first condition of a complete revolution to change things in Haiti. We have a report by Rotchil.

[Begin Rotchil recording] It was at the former ranch of Baby Doc in Croix des Bouquets and in the presence of thousands of young people that President Jean-Bertrand Aristide inaugurated a congress aimed at finding a way to organize the literacy campaign. This congress gathered youth from all the geographical departments of the country. They took the opportunity to voice their demands to the government. The youth of the upper sixth [high school level] found themselves on the same wavelength. They demanded from the Preval government a reform of the Haitian educational system with just one official examination. The participants mostly requested a decentralization of the university by establishing several faculties and colleges in the provinces. The members of the congress also seek the standardization of the school programs, operating high schools with two schedules, and the elimination of registration fees in the faculties.

President Aristide stated that he supported these demands which, according to him, would partly be satisfied this year. The president advised though that he was not able to start important and costly projects in education given the current economic conditions. The president pointed out that he inherited a skeleton state, plundered by the former regimes. After listening to the youths' complaints regarding the changes to be made in the school and university system, President Aristide provided his view point on the literacy campaign. The head of the state feels only a complete revolution could change things in Haiti and literacy is a necessary step toward such a revolution.

Jean-Bertrand Aristide thinks that in order to succeed in that struggle against illiteracy, the Haitian masses must be mobilized and must participate. The president also believes that among the 15 percent literate people in Haiti, an important number could take part in the Alfa Program [literacy program]. Aristide pointed out in his statements the important results obtained through literacy campaigns in countries such as Cuba and Nicaragua. The revolution is on the move and cannot be stopped, according to Aristide who never stopped referring in his speech to Che Guevara. [passage omitted] [end recording]

Bazin Comments on Aristide's First Six Months

FL0608215591 Port-au-Prince Radio Metropole in French 1600 GMT 6 Aug 91

[Excerpts] Marc Bazin, leader of the Movement for the Establishment of Democracy in Haiti [MIDH] comments on Aristide's first six months in office. Marc Bazin noted positive results on a daily basis but failure in effecting socioeconomic reforms. We will listen to reporter Rotchil

[Begin recording] [Rotchil] For the MIDH, lead by Marc L. Bazin, the result of the Father Jean-Bertrand Aristide presidency is diminished. MIDH notes several accomplishments by the government, such as the good atmosphere of cooperation with the army and the fight against insecurity. MIDH thinks though that some tactlessness has been experienced, perhaps due to inexperience. The biggest disappointment for the party in the running of the government rests in the reforms.

[Bazin] There are some things that are good on a daily basis. But other points regarding reforms are disappointing. The good points are that the government succeeded in establishing trust with the army. The government has done a great job on security, drugs, and smuggling. Efforts were not always effective on the electricity problem. Also, the action taken by the government regarding numerous people suspected of disloyalty to democracy in public offices has not been adequate.

Unfortunately, all action taken by the government on a daily basis gives the impression of improvisation. The government does not seem to know where it is going. It does not have a clear sense of direction to lead the country. So, every time there is an obstacle, it overcomes it but the government does not foresee what it is going to do next. That is why so many mistakes have been made. I also think that among other unfortunate mistakes, the president was not well inspired by appointing Provisional Electoral Council members as ambassadors because, as such, it really leaves a doubt on the honesty of the electoral operations. These appointments create a bad precedent for the future. Therefore, there are several similar points which even on a daily basis need serious consideration by the government to weigh the future consequences.

[Rotchil] What about the reforms in public offices?

[Bazin] I have a very serious problem with this. I think that sometimes the government gives us the impression that it confuses dismissal with reform. They are two different things. Every morning, one wakes up and hears about a ministry closed for restructuring. No one can restructure something that is not first reformed because reform precedes restructuring. In fact, it is restructuring itself. [passage omitted]

The judicial system is not working well. Agricultural reform is not progressing well. The literacy project is not working. Then, you have the state reform. For me, given the importance of the state in Haitian life, no serious reform can be made without reorganizing the state. One has to look at how it is structured and how it functions without limiting the state's priorities.

[Rotchil] Bazin also stated that the delay in reforms is caused by President Aristide's team which did not really prepare itself to assume the government's tasks and once in power the team did not know how to organize its work. The MIDH leader asserts that the government economic policy is still not defined. It is a black hole. [passage omitted] The MIDH feels there is an absence of a serious and responsible outlook on Africa as well as a lack of interest by the government for the Eastern European new democracies with which our country could develop profitable exchange.

MIDH thinks that popular consensus does not prevent the government from respecting and enforcing respect for constitutional law. MIDH also thinks, the president should strive to institutionalize political power rather than personalize it more. The MIDH points out it is necessary to stop division and thinks that the government should adhere to organizing representative democracy, as provided by the 1987 Constitution.

The code of the MIDH is: Haiti will not get out of the crisis if all its children are not united, each one according to his conviction, talent, potential for tolerance, and respect for one another. [end recording]

Youth Organization Occupies Ministry of Commerce

FL0708210191 Port-au-Prince Radio Soleil Network in Creole 1330 GMT 6 Aug 91

[Text] This afternoon, members of ORNADEJ [National Organization for the Defense of Youth] are occupying the Ministry of Commerce building and grounds. All activities have been halted. The employees are not able to leave. ORNADEJ is demanding that Prime Minister Preval come and speak with them. They want him to bring with him Adner Francois, a member of the organization who has disappeared. We will listen to our reporter, Philip Bien-Aime, at the Ministry of Commerce.

[Begin Bien-Aime recording] Ministry of Commerce employees are just standing around inside the ministry although it is past 1400 and the office is closed. All car owners, all employees are hindered from leaving because ORDADEJ, a national youth organization, has blocked the area in order to demand that the Aristide-Preval government return Adner Francois, a militant who disappeared last Sunday from the Sonapi Industrial Park building.

This incident took place on Friday when the ORNADEJ leaders and members occupied the SONAPI building to demand the resignation of Roland Magloire and the appointment of his replacement, Adner Francois. They believed Francois would bring changes to this office. They began occupying the offices on Friday. On Sunday [4 August], a group of people with machetes attacked them. According to what they told us, two people were wounded and Adner Francois disappeared. He still remains to be found.

They are accusing the government of being responsible for kidnapping Adner Francois. Therefore, to satisfy their claims which are the return of Adner Francois and his appointment as the director general of SONAPI, they have obstructed operations at the Ministry of Commerce. People with cars are stranded and unless one can climb the wall of the ministry, one will remain inside the office. We must say that all the employees are in the courtyard, along with the ORNADEJ members, awaiting Prime Minister Rene Preval's arrival to talk to them and especially to have the return of Adner Francois. We will have further information as the situation develops. [end recording]

Ministers Report on Financial Meeting in Paris

FL0508205091 Port-au-Prince Radio Metropole in French 1600 GMT 2 Aug 91

[Text] On 31 July, Ministers Renaud Bernardin from the Planning Ministry, Marie-Michele Rey from the Economy and Finance Ministry, and Frantz Verela from the Public Works Ministry presented to the Deputies Chamber a report on the consultative group meeting held recently in Paris. A report from the Deputies Chamber says that the president of the delegation asserted that no commitments were made in Paris. It was a gentlemen's agreement. Minister Bernardin said that all the sponsors promised publicly to put funds at the disposal of the Haitian Government.

He believes that these funds would only be useful to the country if they were linked to measures to clean up public offices. He therefore believes that legal measures must be taken even after the deadline provided by the 7 March law, in order to clean up the public offices. The minister is counting on the Parliament's collaboration.

The deputies, during their mediations, expressed their concern over the future IMF conditions which were attached to the granting of the promised sums. Deputy Evans Beabrun remarked that it was better to wait for the IMF conditions before claiming victory. The members of the ministerial delegation assured that it would not be a question of privatization, but rather of administrative and technical reform within public offices. For them, the meeting in Paris is a victory.

Restructuring Begins in Public Offices

FL0708000491 Port-au-Prince Radio Metropole in French 1600 GMT 6 Aug 91

[Text] There is an extensive cleanup process occuring in public offices as we approach 7 August which marks President Aristide's first six months in power. After this date, according to constitutional provisions, the executive can no longer make reforms in public offices without the approval of the Parliament. At the beginning of the week, public offices were faced with a wave of dismissals, leaves of absence, and appointments. The Ministries of Education, Agriculture, and Social Affairs are closed for restructuring. Many public offices are being restructured and their staff is being fired.

Since yesterday, operations at the Directorate General of Taxes [DGI] have been assured by a strict minimum staff. This will continue throughout the week. The employees who might be kept will be individually watched by their directors or respective heads of services. DGI activities with a regular staff will resume on 11 August.

Regional bureaus, under the Ministry of Social Affairs, bodies such as ONA [National Office of Retirement], OFATMA [Office of Labor and Maternity Insurance], welfare offices, and EPPLS [Public Enterprises for the Promotion of Low Cost Housing] are closed for restructuring. The entire staff of these bureaus are on leave of absences until new notices are issued.

All the employees at the National Theater are also on leave of absences. On 6 August, the National Theater will be closed for a week.

Several directors or former administrative directors have been arrested. Fritz Joseph, former director of the National Port Authorities [APN] was arrested on 2 August at his home by several policemen from the anti-gang service. Joseph has been allegedly arrested within the scope of an investigation into his management at APN.

Bahamas Repatriates 306 Haitians on 5 Aug

FL0708214491 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 6 Aug 91

[Text] On 5 August, the Bahamian ship Miranda arrived at the Gonaives wharf with 306 Haitian compatriots. Witnesses were filled with emotion when they saw how the Haitians had been crammed in just like sardines or rice bags on this ship. The repatriated Haitians stated that they were forcibly arrested at their homes in the Bahamas.

They spent the three-day voyage without food or water. At the least protest, the Bahamian soldiers mistreated them. These repatriated people asserted that the Bahamian soldiers stole most of their belongings. They were threatened, slapped, or beaten by the soldiers.

Two buses from the municipality office, the Social Affairs Ministry, and the Gonaives Red Cross transported the Haitian compatriots to the National School of Descarreaux in Gonaives. They will remain there until they can return to their home towns of either Saint-Marc or Port-de-Paix.

St. Lucia

Union Asks Compton To Help Stop Factory Closing

FL0708175891 Bridgetown CANA in English 1556 GMT 7 Aug 91

[Text] Castries, St. Lucia, Aug 7, CANA—St. Lucia's National Workers Union (NWU) has called on the government here to intervene to ensure that an American-owned garment factory does not close and put an estimated 500 persons out of work. In a letter to Prime

Minister John Compton, the union said that the closure of Belle Fashions would have "tremendous economic impact" on the area where the company is located.

The closure "could easily undermine the positive efforts that are currently ongoing to attract good investments, especially in the garment sector, to St. Lucia," the union said. Belle Fashions, which has written the union asking for a wage freeze agreement, said it is experiencing "serious financial difficulty."

"This condition has existed for some time... and has gotten worse with the extended recession in the U.S.," the company said. In a letter to the NWU, the company said that over the past two years it had lost a "substantial amount of money," and that in the first six months of 1991, the loss had been estimated at $110,961 East Caribbean (one EC dollar = 37 U.S. cents).

"There is absolutely no way we can continue to lose these amounts and still remain in business," it said, urging the union to agree to a wage freeze, payment of end-of-year bonuses on merit only, and suspension of transportation subsidies. "We have no way of generating enough money to cover these costs and still be competitive with other areas," the company said. "The situation has become so critical now that unless we get immediate relief, we will be forced to cease operations at Belle Fashions," the company added. The company said that it had invested more than $1 million in its operations, and "we want very much to keep it operating."

In its letter to the prime minister, the NWU said that while it was prepared to continue cooperating with the company, "we are of the firm opinion that the Belle Fashions issue must be placed on the national agenda."

"We fully understand the company's plight, but things must be done within the framework and structure that govern our industrial relations process," the union said. "In this regard, we are requesting your government's intervention, aimed at initiating tripartite talks, out of which a popular solution could evolve to be forwarded to workers for their consideration and approval," the union added.

NWU President Tyronne Maynard told CANA he had received a positive response from the government to the initiative, but that no date had yet been set for the meeting.

St. Vincent and the Grenadines

Opposition Groups Call For Government Resignation

FL0708142491 Bridgetown CANA in English 1148 GMT 7 Aug 91

[Text] Kingstown, St. Vincent, Aug. 7, CANA—The main opposition St. Vincent Labour Party [SVLP] and the Movement for National Unity (MNU) have called for the resignation of the government. The two parties said they were dissatisfied with the government's handling of a case involving the Vincentian vessel, Lucky Star, seized by the U.S. authorities for alleged drug-running.

"The prime minister and his attorney general have shown monumental misjudgment and incredible incompetence on the issue... They have made us laughingstocks before the eyes of civilised nations the world over. They should do the honourable thing and resign," the MNU's leader, Dr. Ralph Gonsalves, said.

The SVLP said the Cabinet's decision to debar public access to the records of the Lucky Star" implies that (the) government is held hostage by the owners" of the vessel.

"The SVLP is demanding that Prime Minister James Michell resign as the government can no longer continue to govern with this cloud of suspicion hanging over its head," a statement issued by the party read.

The Lucky Star was seized last month by United States drug authorities, who said they had found U.S. $3 billion worth of hashish on board. A Cabinet decision, to exempt the ships records from the regulations of the local trust authority which registers overseas companies, has prompted a High Court application by Gonsalves, who wants public access to the ship's register. High Court Judge Monica Joseph reserved judgment when the case was heard last week.

The Lucky Star issue and Police Commissioner Randolph Toussaint's admission to being a gambler are two matters being given prominence at public meetings, organised by the broad-based National Council in Defence of Law and Order, which is demanding Toussaint's resignation.

Mitchell said he would allow Toussaint to answer the charges being made against him before deciding what action to take. Toussaint is due back home this week after an absence of almost seven weeks from the state.

Trinidad and Tobago

Bank Moves To Wind Up BCCI Operations

FL0608220991 Bridgetown CANA in English 2031 GMT 6 Aug 91

[Text] Port-of-Spain, Trinidad, August 6, CANA—The Trinidad and Tobago Central Bank has moved to the courts to wind up the operations here of the Bank of Credit and Commerce International (BCCI). The Central Bank said a petition filed in the High Court and to be heard next Monday seeks the winding up of BCCI operations here, suspended since July 5 as monetary authorities worldwide acted in response to reported frauds in the BCCI's international network. The petition, filed by inspector of banks, Victor Jeffers, says the regulator is satisfied after examining BCCI's books that the continuation of operations would involve a loss to the depositors and other creditors.

Investigation of the BCCI books revealed that assets totalled TT 65.2 million dollars (one TT dollar = 23.5

U.S. cents), while net liabilities amounted to 39.5 million dollars, and shareholders' equity totalled 12.1 million dollars. The last audited financial statement, for the year ended December, 1990, showed total assets of 117.3 million dollars and liabilities, excluding shareholders' funds, of 105.1 million dollars. Total operating income was 11.7 million dollars and operating expenditure 10.5 million dollars.

Opposition Condemns Robinson's Statements

FL0608222691 Bridgetown CANA in English 2008 GMT 6 Aug 91

[Excerpts] Port-of-Spain, Trinidad, Aug 6, CANA—Trinidad and Tobago's minority opposition People's National Movement (PNM) has condemned statements made by Prime Minister A.N.R. Robinson which suggested that the PNM while in and out of government inspired a coup attempt last year. A statement by the party's general council said Robinson's statement sought to create the impression that the PNM, which held government for 30 years until its 1986 defeat, was in some way connected with and responsible for the violent events by members of the Jamaat al Muslimeen organisation.

Robinson told activists of the ruling National Alliance for Reconstruction (NAR) last week that the PNM "went so far to make some lunatic believe that he could physically dispose of me and having done that, they seek to blame me and say it is I who caused it." [passage omitted]

The PNM described Robinson's statements as "irresponsible utterances," adding that it reflected the prime minister's "desperation" as public sentiments continued to swing sharply against the ruling party. The PNM said it had fostered and developed the democractic way of life and remained committed to parliamentary democracy and peaceful change. The party's leader Patrick Manning has taken the issue to his lawyers to determine whether a case of slander can be filed against Robinson.

Trade Unions Reject Settlement Proposal

FL0708232991 Bridgetown CANA in English 2153 GMT 7 Aug 91

[Text] Port-of-Spain, Trinidad, Aug 7, CANA—Trinidad and Tobago labour unions on Wednesday rejected a government proposal to give shares to public sector and state sugar company employees as partial settlement of a debt of over TT 3 billion dollars (one TT dollar = 23.5 cents U.S.). The debt represents outstanding pay and other benefits. Under the plan, the shares would come from the divestment of selected state enterprises and would be placed in a proposed state unit trust.

The government also proposed to make a cash payment to the workers of up to 300 million dollars at the inception of the trust at the start of next year. The cash would be secured from a sale of units in a national investment company to local institutional investors.

"We are contending that the divestment of state enterprises or privatisation is a very fundamental matter which should not be linked at all to the question of the payment of arrears to public sector employees and the sugar workers of Caroni," said Errol McLeod, president of the umbrella National Trade Union Centre (NATUC).

He added: "This is a very important matter on which the government should seek as a separate issue the views of the population as large.... and get a mandate on the issue of privatisation, rather than to mask its true intentions on the question of privatisation with the issue of the payment of arrears owed to workers."

The arrears stem from the non-payment to public sector workers of a 2 per cent pay increase ordered by the court, the 1987 suspension of a cost of living allowance, and a 10 per cent reduction of salaries in 1988 as part of an austerity programme. Sugar workers are owed some 130 million dollars as a result of the non-payment of a 28 per cent pay increase the courts ordered in 1983.

NATUC, in a statement to Finance Minister Selby Wilson made public to the media, said it was convinced that the settlement proposal outlined in a government white paper was not in the best economic interest of persons who would become unit holders or in the best interest of the country as a whole.

"The entire scheme seems cleverly designed to leave workers worse off than they would be under another arrangement," the statement added. McLeod said union leaders with the assistance of economic advisors were putting together proposals for submission to the government for settling the large debt.

NATUC said it would organise a demonstration outside the finance minister's office later this month to protest the "selling out of the state assets" and non-payment of the arrears to the workers.

'Media Giant' Launches Television Station

FL0608224491 Bridgetown CANA in English 2112 GMT 6 Aug 91

[Text] Port-of-Spain, Trinidad, Aug 6, CANA—Trinidad and Tobago's new media giant, Caribbean Communications Network [CCN], on Tuesday launched the country's second television station, CCN TV 6. CCN TV 6 is the latest venture of the company which owns the EXPRESS newspapers and an FM radio station launched in June. Minor shareholders in the electronic media arm of CCN are Barbados Rediffusion Company, Radio Jamaica Limited, and CVM-TV, a company granted television licences in Jamaica. The other television station here is state-owned Trinidad and Tobago Television (TTT).

Chief executive officer of the Caribbean Communications Network, Ken Gordon, said the station will offer viewers a wide variety of news and entertainment from

around the world. He said the objectives are also to "increase links with our Caribbean neighbours."

"I think these essentially are the main pillars of the organisation," he told reporters after an impressive preview of the station. Emphasis will be placed on regular news updates on the latest developments locally, regionally, and internationally, Gordon said.

In addition, TV 6 will link major newscasts from Europe and the United States as well as the ITN World Report. An exchange of locally produced programmes with CVM-TV of Jamaica is envisioned. Plans are also on stream to link up with other television stations in the Caribbean.

"...We are seeking to broaden our links to all the islands in the Caribbean as quickly as possible," Gordon said.

TV 6 which comes on stream at the end of the month is the first television station to be launched since the government's approval of 23 radio and telelvision licences two years ago.

*** Chiapas Antiopposition Tactic Described**

*** Peasant Torch Case Cited**

91CA0192A San Cristobal de las Casas TIEMPO in Spanish17 Apr 91 pp 1, 4

[Article by correspondent Amado Avendano Figueroa. First paragraph TIEMPO summary]

[Text] Two joined right away and went free, and warrants for the arrest of 17 more were cancelled. But 27 stubborn fugitives refuse to leave CIOAC [Independent Federation of Agricultural Workers and Peasants] or the PRD [Party of the Democratic Revolution].

Simojovel—On 6 April authorities freed Martin Gomez Perez and Francisco Ruiz Diaz. The two had been in the Simojovel jail since June of last year as suspects in the murder of Benito Quezada. He was the leader of Peasant Torch, a government-supported group brought to the area to woo peasants away from CIOAC.

The men just released belong to the "Campo La Granja" community two kilometers from Simojovel. They received their freedom in return for joining the PRI [Institutional Revolutionary Party], and since a peasant's word is his bond, they held up their end of the bargain. This triggered a split at Campo La Granja where some people have the idea that getting off fugitive status is just a matter of joining the ruling party. Others stubbornly persist in remaining members of the PRD.

The 44 peasants living in present-day Campo La Granja were among the CIOAC members who in 1982 decided to "expropriate" 317 hectares of land that "formerly" belonged to cattleman Oscar Gaspar Mayagoitia. They moved onto the property, ran off the owner's hands, and fought tooth and nail to uphold the takeover. Finally, the Agrarian Reform Secretariat had to buy the land from them. The number of these "expropriations" forced the government to use strategies designed to separate peasants from CIOAC. It brought in Peasant Torch and provided it with resources. The organization received the support of cattleraisers as well as the official influence needed to "solve" some problems. These measures won some groups to the side of Peasant Torch.

In mid 1989, Benito Quezada Garcia, the regional director of Peasant Torch, was murdered in the neighboring village called Sharpes. His death served as the pretext to issue warrants for the arrest of every CIOAC follower in the region, among them the 44 peasants at Campo La Granja.

In December 1989, Manuel Perez Sanchez was arrested and taken to Cerro Hueco. In June 1989, Federico Flores Rodas, mayor of Simojovel, called all the peasants in the municipality together on the pretext of offering the credit "on their signatures." Francisco Ruiz Diaz and Martin Gomez Perez made the unfortunate mistake of showing up and were arrested by Public Security Police.

A short time later Flores Rodas himself began a dialogue with the CIOAC group at Campo La Granja. He said that by joining the PRI they could win the immediate release of the men being held. He also promised the cancellation of arrest warrants pending against them and said they had nothing to gain by remaining in CIOAC and the PRD. Group members feared being on the run and being unable to pursue their efforts to obtain land and community services. In August 1989, 17 of the 44 peasants decided to join PRI and, of course, the CNC [National Peasants Confederation]. However, the other 27 balked. They expelled the "converts" from CIOAC and would not let them into Campo La Granja. The outcasts had to move into the municipality's main town. In the absence of land of their own, they expected the PRI and the CNC to take care of them. This has not happened to date.

Since then, the 27 obstinate peasants who would not return to the PRI and the CNC are fugitives from justice. They cannot travel by road in the daytime and must remain on constant alert in the area around their community. They fear eviction by force and the likely arrival of authorities supporting the 17 PRI "followers" in the main town.

The government solved nothing by bringing Peasant Torch into the region. Because of the death of its leader, 500 Public Security police have had to be stationed in the region since February 1990. The police themselves have inflicted heavy damage on the rest of the population.

On 13 April, some of their former comrades warned the peasants of Campo La Granja that police would evict them on 15 April and give the seized property to the 17 PRI "followers." I spent Saturday and Sunday at the community, but nobody came. However, the peasants are determined to defend their lands at any cost. They are not sleeping well. It might be easy to get out of jail by joining the PRI, but they remain afraid that the police may come from one moment to the next and evict them on the pretext of serving the pending arrest warrants.

*** Purposeful Caution Advised**

91CA0192B San Cristobal de las Casas TIEMPO in Spanish 17 Apr 91 p 2

[Editorial]

[Text] Jail Strategy—Authorities are beginning to serve arrest warrants in different parts of Chiapas. They are concentrating on communities where the Party of the Democratic Revolution [PRD] is influential as a warning to the "ignorant" that it is a dangerous party to belong to.

But they have not singled out the PRD. It is also dangerous to belong to PAN [National Action Party]. The proof is the case of Zinacantan. There authorities allowed themselves the luxury of arresting within the jurisdiction of San Cristobal PAN members who were reluctant to rejoin the ruling PRI [Institutional Revolutionary Party]. Two of the PAN followers were finally released after they agreed to return to the timorous, once

invincible PRI. Authorities brazenly charged arrested PRD members with the offense of setting forest fires.

In Simojovel, Benito Quezada, the lawyer who headed the semi-official Peasant Torch group, was murdered in the community of Campo La Granja. The official response was to file charges against all 44 of the peasants living in the community.

The Public Security Police managed to arrest two Campo La Granja residents who belong to CIOAC [Independent Federation of Agricultural Workers and Peasants] and the PRD. Martin Gomez Perez and Francisco Ruiz Diaz have been in jail in Simojovel since June 1989. The government told them they could quickly win their freedom by rejoining PRI. Since freedom is sacred, they signed up with the ruling party and, "fortunately," on 6 April, 1991, regained their former freedom. The "message" these two peasants brought to their 42 comrades was that if they returned to the official fold, they would soon cease to be fugitives.

This, of course, has led to a split in the community. Some are ready to die for the cause. They prefer to sleep with a machete under their pillow (in case the police come) in order to defend their lives and freedom as best they can. But they can easily win total freedom. Just join the PRI!

In Paso Achiote, the Attorney General's Office has nothing left to do since the agrarian problem was solved a year ago. However, the peasants are "in danger" of joining the PRD. This is a serious "offense" because it threatens the tenure of current government bureaucrats. Once again, government loyalists would rather lose their dignity than the paycheck promised them for the duration of a six-year presidential term.

This psychosis, this anguish sparked by the menace of losing power and pay also tormented the cientificos in the years before 1910. Porfirio Diaz was not much worried about losing the presidency. He had held it for so long! But the cientificos, the bureaucrats and ladies of the palace court, were alarmed. The undisciplined troops that the cientificos directed in the name of the legendary ruler assigned themselves the task of massacring people. They tried to keep people from rising up against their longtime executioners.

At present, those leading the chorus of underlings are behaving the same way. They are using the same methods against the same peasants for the same refusal to preserve Oaxaca as "the state most loyal to PRI."

As opinionmakers, we recommend that the people proceed with great caution. Although democracy is precious as the way to peace and happiness, the price of "bravery" must be considered when confronting the mighty of today. Dissidents must ask themselves if it is worth it to go to jail for belonging to PRD or PAN and leave their wives and orphaned children in ruin. We think the time has come to be "intelligent." It is possible to be cynical out of need and to show the government you belong to the ruling party. You can drape yourself in official banners and foliage. But when it is time to VOTE, since the vote is secret, you can mark your ballot for the PRD or PAN. This is the way to start building a second "Iripanga" and send those who have been getting paid twice a month for 81 years on a journey of no return. This is the way "necessary" cynicism opposes the jailers' cynicism, and it is not so dangerous....

* Officials on Funding for Veracruz Churches

91CA0191A Mexico City PROCESO in Spanish No 762, 10 Jun 91 pp 28-29

[Text] Xalapa—Although officials of the state government deny that Pronasol [National Solidarity Program] resources are being allocated to the Catholic Church, bishops and priests of this diocese confirm that aid from the state government under Governor Dante Delgado Rannauro is being used in the remodeling and construction of Catholic churches.

According to the governor, help has been provided to the Catholic Church since he entered office more than two years ago, on the basis of a license requested by Fernando Gutierrez Barrios, the present federal interior secretary.

On 4 June, Archbishop Sergio Obeso Rivera confirmed on his own account that the Catholic Church in Veracruz is receiving "unlimited assistance" from the state government for these purposes. He even expressed appreciation for it.

Also on 4 June, when 20 Catholic priests from the area were called to an "emergency meeting" at the Office of the Archdiocese of Veracruz, Archbishop Obeso Rivera praised the "assistance without limits" of the state government and confirmed what had happened at the recent meeting of bishops and priests of the diocese with Miguel Angel Diaz Pedroza, secretary of the governor's cabinet, and the secretaries of the State of Veracruz for Finance, Urban Development, and Public Works, Gerardo Poo Ulibarri, Porfirio Serrano Amador, and Sergio Ruiz Mendienta, respectively.

Diaz Pedroza, the secretary of the governor's cabinet, told PROCESO that, in some cases, "The state government has helped private organizations [patronatos] to remodel churches which belong to the nation with aid intended for real, historical monuments located in urban areas."

Regarding what priests of the diocese had said, that Pronasol funds were being used to remodel and build churches and even residences for priests, the official denied the statements that "these are state government resources." He explained that, although the amounts were small, there was no "specific designation" for the money. He said that the funds consisted of unallocated resources in the state government budget.

Diaz Pedroza said that the statements about the use of the funds "were totally false. Pronasol funds are used for the purposes for which they were intended, for the provision of services."

He also denied that all of his remarks were for propaganda purposes. He said: "All of that is very far from the reality. And if this had been the purpose, which it was not, it would not have been done as secretly as it has allegedly been done. And not right now. The governor said it on 3 June: since the beginning of his administration this type of aid has been provided for the maintenance of some buildings used for the activities of the Catholic faith."

Regarding the construction of seminaries and churches, Diaz Pedroza stated that "there has been no help given, nor will such help be given, because that is for other purposes. We are very respectful of the freedom of religion."

He was asked: "When was the decision made to repair the churches? What was the purpose of this?"

He answered: "Some of the buildings were truly historic monuments. Finally, all of the churches, principally in these communities, are part of the urban context. They are part of the same community and they are places where many citizens go. In this respect the state government has shown its solidarity with the people of the State of Veracruz, as should be the case."

He added that the state government did not help in the construction of the Cathedral of Coatzacoalcos, despite the recent, public meetings held on this matter between Francisco Esparza Lopez, director of state government property, and Bishop Carlos Talavera.

Diaz Pedroza said: "The Catholic Church, as an institution, is handling that matter. It handles its own affairs and has certain resources and properties. The Catholic Church will handle it as it has always done: with the help of the parishioners."

He was asked: "Why was there so much secrecy about the meetings between bishops of the Catholic Church and officials of the state government?"

Diaz Pedroza answered: "There can be no secrecy about what does not exist."

He was asked: "What about the meeting at the office of the Archbishop?"

He answered: "I have met with them. We have been in many places at the same time."

He was asked: "All of you together?"

Diaz Pedroza replied: "I keep in touch with them. However, it is not easy to meet with all of the bishops of Veracruz. I am on friendly terms with the archbishop of Verucruz. I have visited Archbishop Obeso. He is a person of great ability, is very open, and is an intelligent man. So that there is nothing to keep secret about."

Diaz Pedroza added: "This has nothing to do with the bishops, who are leaders with great moral authority and are spiritual guides of the people. In my case, due to the position which I occupy, I keep in contact with them, because they are the channel through which the Office of the Secretary of the Governor's Cabinet keeps informed about the number and location and what is being preached in the churches. No meetings have been held. The fact that we have had conversations with the bishops is something which has been going on for a long time. As far as I am personally concerned I am on friendly terms with many of them."

On 4 June, in statements to EL SOL VERACRUZANO, Diaz Pedroza himself said that "financial help has never been given to the Catholic Church," much less for political purposes. He agreed that some churches had been repaired, such as the facade of the church in Tepetlan. He explained that the Metropolitan Cathedral of Veracruz was regularly painted "under a state government program for the remodeling of urban centers."

For his part Dante Delgado, the governor of the State of Veracruz, was interviewed on this matter when he left the Crafts Center on 4 June. According to POLITICA, the daily newspaper, the state governor rebuked a local reporter who asked him whether the help to the Catholic Church was for electoral purposes. Governor Dante Delgado said: "Instead of asking me that, why do you not ask the private organizations and churches which have been painted and repaired?" He recalled that the churches were the property of the nation and that the help provided was to repair their structure.

According to POLITICA, the governor justified the help provided to the Catholic Church in Verucruz, stating that, in some cases, the churches had deteriorated "because of water leaks. They needed to be waterproofed." Therefore, private organizations were set up, which the state government helped.

He was asked: "In the middle of an election year?"

The governor replied: "We have been doing that since we took over the government of this state."

On 4 June Governor Delgado was accompanied by Maria Elena Vazquez Nava, the secretary of the Office of the Controller General of Mexico, when he received a protest from 207 members of Councils of Control and Vigilance, contained in a memorandum which denounced dishonest officials who misused the resources of the Pronasol fund.

Gerardo Poo Ulibarri, the state secretary of finance, minimized the help provided to the Catholic Church. He said, "If, in fact, the state government provided resources and help for the remodeling and construction of churches, that was not a tithe given to the Catholic Church, because the money provided for this kind of program is very limited. It does not amount to much."

Poo Ulibarri denied, in passing, that "there was a political background" to all of that.

However, the Catholic bishops who were called to attend an "emergency meeting" at the Office of the Archbishop on 4 June have another view of this matter. Under the headline, "Obeso Has Confessed," POLITICA reports statements by the archbishop, who accepted without

reservation the help provided by the state governor, because "the churches are the property of the nation. Furthermore, the help comes from taxpayers, the majority of whom are Catholics." According to POLITICA, Archbishop Obeso Rivera considered that it was "a good idea to make use of this opportunity for mutual cooperation" for the benefit of the community. He even thanked the state governor.

He explained that, among the petitions which various communities have made to the state governments on such matters as roads, schools, and safe drinking water, there have also been petitions on remodeling church buildings and related structures.

* UGOCP Head Cites Ejido Land Sales

91CA0191B Mexico City UNOMASUNO in Spanish 17 Jun 91 pp 1, 9

[Article by Griselda Sierra Valencia]

[Text] There is a complete breakdown in the land tenure situation in the Mexican countryside, not only affecting the ejido lands [community lands held in common], but also all of the units of production, whether they involve ejidos, communities, colonias [urban communities], or small holdings. Margarito Montes Parra, secretary general of the Popular Peasant and Worker General Union (UGOCP), has warned of this situation and has added that this situation has led to the emergence of a gigantic market, involving the sale of land throughout the country, including parcels of ejido land.

He said: "Even so, it is ejido land which shows the clearest signs of breakdown, since it cannot be sold as easily as the land of smallholders, due to the difficulties involved in any process of reprivatization of the land. Supposedly, the legal status of at least 80 percent of the 28,000 parcels of ejido land has not been regularized. That is, the ejidos do not contain all of the land originally allocated to them. Their boundaries have not been surveyed, and, in general, their legal status is unclear."

When asked why he speaks of a process of reprivatization of land in the countryside, the UGOCP leader replied that, along with the abandonment of the social thinking of the Mexican revolution, a liberal outlook has been adopted similar to that of the 19th century among economic and governmental groups in the country. He said this attitude expresses itself in the view that solutions to the problems of Mexico are not to be found within the country but outside it. Furthermore, these groups regard the ejidos as an obstacle.

He noted: "In the liberal way of looking at things it is logically believed that people think that the private sector is going to resolve the problems of the countryside. However, they do not know the situation, because the problem presented by a breakdown in the system does not exclusively affect the ejidos but also small landholdings."

Later he said that although the scope of the seizures of land in the countryside has not been researched in depth, the fact is that several thousand judgments have been handed down by the courts involving specific parcels of land. These cases were initiated by commercial banks because loans which had been extended were not repaid.

In any case the breakdown is not as well known in terms of smallholdings, because many farmers and ranchers decide quickly to sell their land. That is how a gigantic land market and at very high prices has developed—in spite of the difficult situation affecting agriculture. In the irrigated areas first rate land is being sold for $5,000 to $8,000 per hectare.

Ejido members have not been left behind in the sale of land, in spite of the fact that this practice is prohibited by the Federal Agrarian Reform Law. These lands are purchased by more prosperous peasants or by members of the local bourgeoisie. In cases where this happens, corruption is the order of the day, since the interested parties give money to the ejido council members, and the ejido general assembly approves the sale. Montes Parra stated that after this happens, the appearances are the same as if the purchasers had been awarded the land by the courts.

He added that this situation has resulted in the fact that in the ejidos themselves, land is given up which is separate from the nucleus of the ejido.

He added that at the same time there is an economic contradiction between the ejido system and their urban surroundings, since the cities are carrying on secondary and tertiary forms of economic activity (shops and industries) which have nothing to do with the development of the ejido.

At the same time there is a major contradiction between the ejido and the urban needs of the villages and entire towns. Then comes the urban land market which favors human settlement. Finally, the ejido winds up as an obstacle to the development of the town. In many cases the ejido simply disappears.

For all of these reasons he considered it essential to change the law to provide for separating the urban areas from the ejidos.

He said that although it is said that there are 28,000 ejidos, the fact is that no one knows the exact figure, since an ejido census has not been carried out since 1970. Therefore, it is not known how many ejidos have disappeared and how many have been established.

He pointed out that in this same sense, over the past few years, he personally has witnessed the issuance of presidential resolutions on 70 ejidos which have never been implemented.

El Salvador

FMLN Denies Attacking Honduran Villages

Blames Honduran Army

PA0708222091 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 3 Aug 91

["Communique" issued by the Joint Command of the Modesto Ramirez Central Front from Cabanas Sector of the Farabundo Marti National Liberation Front, FMLN, on 2 August in El Salvador]

[Text] To our people; to the people and government of Honduras; to the UN missions, ONUCA [UN Observer Group in Central America] and ONUSAL [UN Observers for El Salvador]; and to the entire world, we announce the following:

With regard to the incidents on 29 July in the Honduran town of Mapulaca in Lempira Department, which borders El Salvador, where there were civilian casualties and where, according to government spokesmen from both countries, the FMLN [Farabundo Marti National Liberation Front] stands accused of carrying out an attack against Honduran Army units, we state the following:

1. We categorically deny that members of the National Army for Democracy [END] carried out such an attack. No member of our army was in the aforementioned area on 29 July.

2. Such an attack against Honduran troops and the Honduran civilian population has taken place within the framework of the campaign to discredit the FMLN. It is a calculated political operation intended to tarnish the good relations between our front and the government and Armed Forces of the brother country of Honduras.

3. We report to the public that a military operation is being carried out by both armies in this border area between Honduras and El Salvador and that the Cabanas Battalion and commando units of the 2d Military Detachment are operating on the Salvadoran side. Those troops began operations in that area on 26 July and clashed with END forces on 27 July. Afterwards, they began a defensive movement toward San Pedro and Villa Victoria, Villa Victoria Jurisdiction, Cabanas Department.

4. There is barely 1.5 km between San Pedro and Mapulaca, and the 2d Military Detachment troops were posted in that area—specifically at the following places: Canton San Pedro, La Gansa, Caraguan, and Guachipilin. All are located across from the town of Mapulaca. Those troops withdrew from the sector on 31 July.

5. We have also learned that the Honduran Army maintain a heavy military deployment, accompanied by aerial activity, along the Honduran border.

6. We believe it is necessary to conduct the necessary investigations and END is willing to cooperate to clarify this deplorable incident.

7. We deeply deplore and strongly condemn the deaths and injuries sustained by our Honduran brothers and we reassert our willingness to strengthen good relations with the Honduran Government to definitely achieve the integration of our people on a firm basis of fraternity, peace, and social justice.

(signed) Joint Command, Modesto Ramirez Central Front, Cabanas Sector

El Salvador, 2 August, 1991

'Strongly' Rejects Charges

PA0708224491 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 4 Aug 91

["Communique" issued by the Francisco Sanchez Northeastern Front of the Farabundo Marti National Liberation Front, FMLN, on 3 August —place not given]

[Text] Attention local and international press and the UN missions—ONUCA [UN Observer Group in Central America] and ONUSAL [UN Observers for El Salvador]. This communique is from the Francisco Sanchez Northeastern Front in connection with a second incident that took place in Honduran territory for which the Honduran Armed Forces blame the Farabundo Marti National Liberation Front [FMLN]. In view of this situation we state:

1. We strongly reject the stated version offered by a Honduran Army captain that blames our forces for an alleged attack on the village of El Picacho, Colomoncagua Municipality, Honduras. This attack, in which three peasants were killed and another was wounded, supposedly took place on 29 July.

2. It is completely false that we attacked a Honduran Army position because it is not our policy to attack the civilian population in our country, let alone in other countries.

3. We hereby hold the Honduran Army troops themselves responsible for the murder of three peasants and the wounding of another.

It would seem that the Honduran Army wants to become involved in the Salvadoran conflict in support of the Salvadoran Armed Forces and is trying to attribute the death of peasants to alleged attacks by us.

We call on the government, the Honduran Armed Forces High Command, the press, and the political parties to carry out an exhaustive investigation of these actions before blaming the FMLN.

We reiterate that we have not had and do not have a policy of aggression against the Honduran Army.

Francisco Sanchez Northeastern Front of the National Army for Democracy, 3 August 1991.

Nicaragua

Rebels Agree To Suspend Attacks on Cooperatives

PA0708222491 Managua BARRICADA in Spanish 7 Aug 91 pp 1, 12

[Report by Juan R. Huerta]

[Text] Jinotega—Yesterday, during the first meeting between the government and the rebel group headed by El Indomable, the rebels presented a seven-point document that includes a call for demilitarization and the departure of the constitutional Armed Forces from Jinotega Municipality and part of Nueva Segovia.

The meeting took place in the home of the mayor of Pantasma. It was attended by government officials, mayors from several municipalities, and representatives of human rights organizations and the United Nations.

The rebels' demands coincide with those stated in a document presented this past weekend to Government Minister Carlos Hurtado by the National Opposition Union political councils from Matagalpa and Jinotega. In that document, the political councils demand the dismissal of all National Police chiefs currently serving in the region.

The Pantasma meeting was tense because the rebels first demanded the withdrawal of the Sandinist People's Army [EPS] from the region and later, during the talks, a rebel interrupted the meeting to announce that there was a military patrol in the area.

The talks had been making progress until this incident occurred. Mario Amador, the Government Ministry's delegate, rapidly went out to speak with the EPS unit. The delegate was informed that a high-ranking officer had come to offer more security for the meeting.

By this time, El Indomable had already ordered his forces to take combat positions. Some of his forces had remained on the other side of the Pantasma River.

The rebel document demands the release from prison of all resistance prisoners. Dr. Jorge Irias, personal representative of Minister Hurtado, said that his government approves of this as long as international human rights organizations and the International Commission of Support and Verification duly register the crimes committed by these persons.

One of the spokesmen for the rebels, Bigote de Oro, insisted that the progovernment Human Rights Commission of Martha Baltodano also record the crimes. The government officials said: "The Sandinists also have their own list of victims during this period." [sentence as published]

The rebel chief went to the meeting wearing a new uniform and in possession of an AK rifle, which he handed to one of his lieutenants before entering the meeting room. He entered in possession of a pistol and a walkie-talkie, wearing a camouflage hat, and speaking with a Honduran accent, although he claims to be from Wiwili.

He justified his rebel position saying that his wife and a son had been murdered by Sandinists in Wiwili. Based on this he demanded, in the second point of his document, that the cooperatives be disarmed.

The government's delegates said that the negotiations would be made based on institutional legitimacy and on respect for the Constitution. The government asked for an explanation of what the rebels mean by "demilitarization" and the election of civil authorities, two points that would contradict the institutional legitimacy of the Armed Forces and respect for election results.

Foreign Minister Dreyfus Hospitalized in U.S.

PA0608194491 Panama City ACAN in Spanish 1444 GMT 6 Aug 91

[Text] Nicaraguan Foreign Minister Enrique Dreyfus was hospitalized today at St. Luke Presbyterian Hospital in Houston for an examination of his circulatory system, according to a report issued today by the Nicaraguan Foreign Ministry.

The very brief press release says that Dreyfus was taken to the United States on 3 August. He had received a "routine check-up" last week by Nicaraguan doctors. Other unofficial sources have indicated that Dreyfus may remain in the United States for one week, during which time Deputy Minister Ernesto Leal would take his place.

To Undergo Surgery

PA0708201091 Managua Radio Nicaragua Network in Spanish 1850 GMT 7 Aug 91

[Press communique issued by the Foreign Ministry Information and Press Directorate in Managua on 7 August; read by unidentified official—recorded]

[Text] The Foreign Affairs Ministry reports this morning that Foreign Minister Enrique Dreyfus will undergo surgery at the St. Luke Presbyterian Hospital in Houston, Texas. Based on medical tests, his doctors diagnosed an aneurysm of the abdominal aorta. Dr. Camilo Barcenas, Foreign Minister Dreyfus' family doctor, described the surgery as delicate. Dr. Barcenas added that he is very optimistic about the foreign minister's prompt recovery because his overall health is excellent.

Foreign Minister Dreyfus will be operated on by Dr. (Denton Colley), a world-famous cardiovascular surgeon and Nicaraguan Dr. Camilo Barcenas, who works directly with Dr. (Colley).

The Foreign Ministry will issue another communique as soon as it learns about the results of the surgery.

[Dated] Issued in Managua on 7 August 1991
[Signed] Foreign Ministry Information and Press Directorate

Colombian Official Arrives To Sign Agreement

PA0808025991 Managua Radio Nicaragua Network in Spanish 1815 GMT 7 Aug 91

[Text] Colombian Foreign Minister Luis Fernando Jaramillo arrived today in Nicaragua. Let us hear what he said:

[Begin Jaramillo recording, in progress] ....Enrique Dreyfus visited Bogota a few days ago and we intend to complete the agreements, especially those concerning trade. We want a unilateral and nonreciprocal opening of the Colombian market to Nicaraguan products as a way to help consolidate Nicaragua's economy and as a way for Colombia to cooperate in the democratic consolidation process of all Central American countries.

Colombia is offering a unilateral and nonreciprocal opening to allow Nicaragua access to the Colombian market without Colombia requesting any reciprocity. This is cooperation that Colombia grants as part of a consolidation process to strengthen the Nicaraguan economy.

We will also make available Colombia's experience and intelligence data to Nicaraguan intelligence in an effort to prevent Nicaragua from suffering in the future what Colombia had to suffer in its fight against drug trafficking. Colombia wants to pass along to the Nicaraguan authorities and share with the Nicaraguan people the information and the experience it has to prevent a repeat of the tragic events Colombia has suffered. [end recording]

Correction to Police Find Two Bodies

PA0208201691

The following correction pertains to the item headlined "Police Find Two Bodies," published in the 29 July Latin America DAILY REPORT, page 19:

Column one, paragraph six, only sentence, make read: ..."El Indomable," "Dimas" [Francisco Baldivia], and other leaders... (supplying correct name).

Panama

Canal, Bases Said To Need U.S. Partnership

PA0708164491 Panama City EL PANAMA AMERICA in Spanish 6 Aug 91 p 12a

[Article by Alvaro Cabal Miranda]

[Text] We do not share the executive's office opinion that "this is not the right moment to negotiate with the United States" a treaty related to military bases.

The worst moment could be "tomorrow." The present disaster began on a "yesterday" that has extended for 15 years, and just in case any president or planning officer has forgotten, we will hereby mention a few indisputable facts:

Garbage collection services were returned to us and we went from being one of the cleanest cities in Latin American to a city where a doctor, an Arnulfist supporter since birth, is fired for doing what Dr. Arnulfo Arias Madrid would have insisted that he do.

We were given the task of purifying water and now we are buying what we at one time got for free.

We received a railroad system that was a model of efficiency and we have turned it into a junkyard.

We were given an international airport with all of its equipment and we have turned it into a stable, with the aggravation that while this was happening we were spending $10 million to repair and "refurbish" the Paitilla Airport, which should have been closed and transferred to Albrook [a U.S. Air Force base] to avoid having hundreds of students killed in the area one of these days.

We received housing and gardens that were the envy of Bella Vista and Altos del Golf residents and we have turned them into slums and private dumps.

We were given 100-year-old forest areas, vital for the protection and operation of the canal and we have allowed the indiscriminate felling of trees and the proliferation of shanty towns right under the noses of the authorities. (All this is happening with the new democracy, which as a matter of fact refutes the notion that all the before-mentioned disasters were because we received the reverted areas during the narcodictatorship).

The great majority of Panamanians believe that there is no better partner to operate, improve, and protect the canal than the United States. The best moment to negotiate with this partner would have been before the Torrijos-Carter Treaty, but this opportunity has gone by. Then, for the second time, we have sold our ancestry for a plate of beans. Today all Panamanians—and I exclude the 30 Fidel communists and 20 so-called nationalists—understand that we must at least EXTEND the term of joint canal operation for 20 more years and return to the initial negotiation point as soon as possible.

For example, the railroad could be reverted to the Canal Commission or it could be privatized; the housing units could be assigned to Panamanians working with the Panama Canal Commission, and not to the friends of those who yesterday were in power or of those who are in power today; the Canal Commission could double the capacity of the Miraflores [water purifying] plant in order to forestall the total disaster to which we are heading, before we also ruin the Chilibre Plant.

What has been stated before refers only to the canal, and we have only mentioned some general points.

Regarding the bases and the fact that, according to our foreign relations minister, this is not the moment to negotiate, we believe the contrary: it is the BEST AND MAYBE ONLY time. Let us take a good look:

No one is unaware that the United States is dismantling its bases around the world, including those in its own continental territory. The reason is quite simple: the Soviet Union, the enemy that rose after World War II, has been vanquished. Anyone with average intelligence is also aware that changes in strategy and weaponry, changes which were proven with the invasion of Panama and the war against Iraq, dictate the need to restructure all military bases and the budget of the U.S. Department of Defense.

The day that the United States decides it no longer needs bases will be catastrophic for Panama. Fortunately, that moment has not yet arrived. Because the United States is facing other circumstances, right now is the best time for Panama to negotiate a base-related treaty.

The number one enemy of the United States and the world is drug trafficking. The bases in Panama are needed in order to fight this enemy. We are required and NEED to lease them at the same price that the United States is paying the Philippines, Germany, Spain, and so forth, not give them away freely as we are now doing, and will continue to do until the year 2000. We could negotiate a new agreement with a minimum duration of 20 years and an annuity payment equal to that paid to the Philippines and other countries, which, at the minimum, would equal $1 billion. With a lease term of 20 years, this would equal $20 billion. With that money Panama could repay its foreign debt, finance the Social Security Fund, build the Panama-Paso Canoa highway, repay the 13th month bonus, and still have money remaining.

Kuwait, Saudi Arabia, and the Arab Emirates paid the United States billions of dollars to defend them from Saddam Husayn. Panamanians are grateful that the United States ridded us of Noriega. If they want the five bases they have today, we could demonstrate our appreciation by leasing the bases for $500 million per base, which would equal $2.5 billion.

It is very important that all Panamanians speak out if they are convinced that we are not hurting our sovereignty when we negotiate as an equal with another state. Panama cannot avoid its responsibility in the drug trafficking struggle. Maybe the voices of the people will reach our president's ear. If he is still unconvinced, then he should submit the decison to a plebiscite.

More on Reported Coup Plot by Former Officers

PA0708195191 Panama City CRITICA LIBRE in Spanish 6 Aug 91 pp 39, 27

[Report by Florencio Galvez]

[Text] While Migdalia Nunez Brandao, Cocle Circuit Court prosecutor, said on 5 August that no charges exist in her office regarding coup plots in Cocle Province, other officials of the Endara administration have hinted at this possibility. Intelligence reports indicate that former officers Gonzalo "Chalo" Gonzalez, Francisco Porras, Anibal Maylin, and German Pinzon are linked to such plots.

Nevertheless, Prosecutor Nunez Brandao confirmed that an arrest warrant has been issued against Maylin and Gonzalo Gonzalez. Gonzalez was granted a safe-conduct to leave the country in May.

Meanwhile, former Major Francisco Porras denied that he has held meetings to organize "groups that seek a return to the past." Porras said that the last time he talked with former Colonel Anibal Maylin was in January 1990, when they were both being held at Fort Clayton. As for Major German Pinzon, Porras said he saw him from a distance at the funeral of Second Lieutenant Tenas. Porras said he has been seen in Cocle Province because he worked in the area and has friends there. He said: "I was stationed in Cocle during my last six years in the military institution."

Meanwhile, Government Minister Juan Chevalier admitted that "members of Manuel Antonio Noriega's army, which was disbanded by the U.S. troops in 1989, want to return to power." Chevalier admitted that forces displaced from power want to return to power but he said he hopes "nothing serious will come out of this" because it does not benefit the country.

A local newspaper published a report by an unidentified security service saying that the officers who saved former General Manuel Antonio Noriega from military coups in March 1988 and October 1989 are acting like a breeding ground for the plot.

Government Minister Juan B. Chevalier, an Arnulfist Party member, played down the significance of the actions that may be carried out by the discontented officers. He said he "does not believe that the officers who have been removed from power are part of the popular forces or that the people want the return of the officers we had before." He said all of this is part of a psychological campaign.

The Police General Directorate issued a communique rejecting the "anonymous charges that have been expressed in recent days against members of the institution who serve as guards in the country's prisons," linking them to acts of corruption. Other reports say that members of the disbanded military unit, which defended former Gen Noriega and was known as "Macho de Monte," have allied themselves to former and active service officers in Cocle Province to try to return to the past.

It was also stated that the alleged insurgent group believes that the United States would not intervene to prevent a coup against President Guillermo Endara Galimany, who took office in December 1989 after the U.S. invasion known as "Just Cause."

Another part of the intelligence report said that military and police personnel in Cocle, as well as those who work in prisons and airports, are involved in drug and

weapons trafficking, as well as other crimes, because they want to recover the lifestyle they had during the regime of Gen. Noriega, who is now being held in Miami on drug trafficking and money laundering charges.

Soviet Crew Illegally Sells Seafood in Cristobal

PA0808003791 Panama City EL PANAMA AMERICA in Spanish 6 Aug 91 p 2A

[Text] Colon—Fearing contamination, Panamanian authorities have fined the "Kapra," a Soviet ship, $1,200; its crew was caught selling fish and prawns in the port of Cristobal.

Humberto Vanegas, director of Colon's Food Control Department, stated that, according to current Health Code regulations, the "Kapra" cannot engage in such sales, especially now when the authorities are trying to keep cholera from spreading into the country.

A statement issued by the Consolidated Health Care System (SIS) indicates that the ship arrived in Cristobal on 1 August and that the crew has been selling seafood since then.

The "Kapra" is docked at Pier 6 in Colon while health authorities carry out the necessary investigations.

Argentina

Menem's Image as President Rises in Poll

PY0708222691 Buenos Aires BUENOS AIRES HERALD in English 7 Aug 91 p 11

[Text] President Carlos Menem's image as an effective leader increased 13 points from last year, a Gallup poll revealed yesterday. The survey asked people in the Federal Capital and Greater Buenos Aires if they believed Menem was capable of solving the nation's problems. Fourty-six percent responded favourably while last year only 33 percent had confidence in the president. Menem has a 39 percent positive rating, 32 percent regular rating, and 25 percent negative rating, the poll showed. Forty-two percent of the people said they had faith in the president's economic policies, four percent higher than in April. Also, 42 percent said they earn enough money to make ends meet, eight points higher than in April.

Resignation Submitted by Interior Minister Denied

PY0708223291 Buenos Aires BUENOS AIRES HERALD in English 7 Aug 91 p 11

[Text] Presidential spokesman Humberto Toledo said last night that Interior Minister Julio Mera Figueroa "did not submit his resignation," and added that "President (Carlos Menem) has no comment to make" about the controversial interview granted by Mera Figueroa to a local magazine.

The president "read the interview in a passing way, and had no time to assess it thoroughly," said Toledo, adding: "We never heard (Figueroa) express his desire to quit the government. All the contrary..."

Meanwhile, a top Government House source said the minister's statements to the magazine in question were "outrageous" and had "shocked" the highest levels of government including the president's office.

In his reported interview with PAGINA 30, the minister said that the carapintada Army rebel officers "were very useful to us during the election campaign," and revealed that former Deputy Angel Luque is "a very good person who was just framed."

In addition, Mera Figueroa admitted to having liaised between the then candidate Carlos Menem and the head of the Propaganda Due (P2) Masonic lodge, Licio Gelli, before the elections of May 14, 1989.

In other statements to the magazine, Minister Mera Figueroa indicated that he wanted to "quit the Ministry after the elections" but not necessarily the government since he wanted to continue "being useful" to President Menem.

The controversial interior minister also made statements to a local radio and added that "because of my friendship with President Menem, I'll be always by his side."

Mera Figueroa wrapped up his account about the alleged links between Menem and Licio Gelli, pointing out that he made a secret trip to Italy in order to try and convince the head of the P2 not to visit Argentina during the presidential election campaign in 1989.

Officials Differ on Punishment for Radiogram

PY0708221291 Buenos Aires BUENOS AIRES HERALD in English 7 Aug 91 p 11

[Text] Defence Minister Antonio Erman Gonzalez and Army Chief of Staff General Martin Bonnet yesterday made differing statements regarding the punishment of those responsible for broadcasting over the Army communications network a radiogram about the recent border agreements with Chile. Gonzalez said: "We are assessing whether there will be sanctions, as everything has been cleared up" and that if there are penalties, "these will be very light." General Bonnet, however, announced in NEUQUEN that there would be "severe sanctions" and admitted that among those responsible for the controversial broadcast was the service's Director of Institutional Affairs, General Anibal Laino. In statements to the local daily NEUQUEN, the Army chief-of-staff affirmed that his second-in-command Martin Balza "had nothing to do" with the whole affair and added that the Army does not share the contents of the communique.

Corvette Returns From Duty in Persian Gulf

PY0708020691 Buenos Aires LA PRENSA in Spanish 3 Aug 91 p 3

[Excerpt] The corvette Rosales returned to its station at the Puerto Belgrano Naval Base on 2 August after carrying out various operations in the Persian Gulf. The ship departed on 20 February under the command of Captain Hector Tebaldi. After operating under the command of Argentine authorities in combination with ships and airplanes of other navies that were also posted to the Persian Gulf, the corvette was met on 2 August by national, provincial, and municipal authorities. [passage omitted]

Bolivia

Bomb Damages Supreme Court Building Windows

PY0708123891 La Paz Radio Fides Network in Spanish 1100 GMT 7 Aug 91

[Relay from Sucre by Ricardo Diaz]

[Text] At approximately 0530 [0930 GMT] this morning a bomb shattered the windows of an office on the ground floor of the Supreme Court building. The bomb—whose type has not yet been established by police—also shattered the windows of Gran Mariscal Theater next door to the Supreme Court building. The attackers left a Bolivian flag hanging in a window. The police have refused to provide any information. We have unofficially learned that a quote, nationalistic, unquote, group

may have claimed the attack. The blast caused concern among neighbors because the shockwave shattered a lot of glass.

Reportage on Surrender of Two Drug Traffickers

Surrender Under Decree

PY0708221891 Madrid EFE in Spanish 2050 GMT 7 Aug 91

[Text] La Paz, 7 Aug (EFE)—Antidrug police sources have reported to EFE in La Paz today that Antonio Naciff and Winston Rodriguez, two alleged kingpins of Bolivian drug trafficking, surrendered on 6 August under the terms of the decree that guarantees they will not be extradited to the United States. The sources reported that they surrendered in Cochabamba, 403 km east of La Paz.

Naciff and Rodriguez surrendered eight days after the implementation of the Bolivian Government decree guaranteeing that alleged drug traffickers, sought by U.S. justice, who surrender will not be extradited to that country.

Naciff and Rodriguez are the first alleged drug traffickers to formally surrender under the decree's terms. Erwin Guzman, another alleged drug-trafficking kingpin, who surrendered last month, will also benefit from the government decree, because he surrendered under the same conditions that later became part of the decree.

Reliable sources told EFE that Naciff and Rodriguez have been charged by the United States with illegal drug importing.

Bolivian Interior Minister Carlos Saavedra will grant a news conference at 2100 GMT, probably to report on the matter.

Official Comments

PY0808035091 La Paz Television Boliviana Network in Spanish 0200 GMT 8 Aug 91

[Text] In a news conference at the Interior Ministry, Justice Under Secretary Roger Pando reported on the surrender of drug traffickers Winston Rodriguez and Antonio Naciff. He added that, thus far, the ministry has received only a partial report on their surrender and more details will be reported as soon as the drug traffickers arrive in La Paz.

[Begin Pando recording] At 1000 on 6 August, Winston Rodriguez and Antonio Naciff, who reportedly are known drug traffickers, voluntarily surrendered to members of the Special Antinarcotics Force, FELCN, in Santa Cruz. The two drug traffickers will be brought to La Paz, where they will be interviewed by Controlled Substances inspectors to appraise their legal situation and adopt the necessary steps to try them under the terms of Decree 22881, which deals with charges against people found guilty of drug- trafficking connections. [end recording]

Social Defense Under Secretary Gonzalo Torrico has reported on the arrest of Luis Capobianco in Santa Cruz Department. He said, however, that the case still is being investigated. Commenting on the Cessna plane seized in Paraguay, Torrico said that a commission made up of Bolivian civilian and military officials has left for that country to evaluate reports on the seized plane and the arrested Bolivians. Torrico added that those found guilty will be appropriately punished.

[Begin Torrico recording] This man [not further identified] was arrested for a few hours mainly for the sake of investigations. Mr. Capobianco was arrested by FELCN members in Santa Cruz. He was questioned and, based on the questioning, the police will decide whether there are reasons to make his arrest formal.

Regarding the FAB-016 plane, a commission left for Asuncion, Paraguay, yesterday. The commission members are meeting with Paraguayan officials and then will bring to Bolivia all the documents referring to the plane incident. [end recording]

Official Denies Paraguayans Entering Chuquisaca

PY0208160891 La Paz Radio Fides Network in Spanish 1100 GMT 2 Aug 91

[Reported by Ricardo Diaz from Sucre]

[Summary] Jorge Marquez, a local civic organization chairman, has denied rumors that Paraguayans have invaded parts of the Chuquisaca Chaco Region. Comments made by other civic leaders, during a meeting with departmental officials, were distorted, thus starting the rumors, he said.

Marquez emphasized that the best way to control the border is to strengthen the Chaco Region administrative structures. He added that a military border post already has been built in the region.

Brazil

Reportage on Vice President Quayle's Visit

PY0708173491 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 7 Aug 91

[Excerpt] U.S. Vice President Dan Quayle has arrived in Brasilia for an official visit. The U.S. vice president is accompanied by his wife, two children, officials, and U.S. businessmen. He was received by Vice President Itamar Franco. The U.S. vice president will make a short visit to Brasilia, where he will stay until 1600. After his meeting with President Fernando Collor and a luncheon at the Alvorada Palace, Dan Quayle will offer a news conference. [passage omitted]

Collor Talks With Quayle

PY0808014491 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 7 Aug 91

[Text] President Fernando Collor received U.S. Vice President Dan Quayle today in Alvorada Palace.

The meeting of U.S. Vice President Dan Quayle with President Collor at the Alvorada Palace lasted three hours. Dan Quayle was accompanied by U.S. Commerce Secretary Robert Mosbacher and eight businessmen in the sectors of telecommunications, the aeronautics industry, banking, the oil industry, and airmail.

The American businessmen said they are only interested in investing in Brazil if the country resolves its foreign debt. They want Congress to approve the pharmaceuticals patent rights protection law and the Brazilian Government to do away with the tax on profit remittance abroad. The U.S. businessmen alleged that they are subject to double taxation because the U.S. Government also levies taxes on money entering that country.

In Vice President Quayle's opinion, the issue of copyrights is important if Brazil is to attract new investments. He asserted that relations between Brazil and the United States are good. The U.S. vice president also noted that Brazil has changed and is now more committed to opening its market and attracting new investments and business.

Brazilian ministers asked the United States to do away with customs surcharges on agricultural products.

The request was made at a meeting between Agriculture Minister Antonio Cabrera, Economy Minister Marcilio Marques Moreira, and Infrastructure Minister Joao Santana [title as heard] with U.S. Commerce Secretary Robert Mosbacher. They mostly discussed the possibility of U.S. investments in the area of telecommunications through joint ventures with Brazilian companies.

Agriculture Minister Antonio Cabrera seized the occasion to ask the U.S. commerce secretary that surcharges on Brazilian agricultural products, mainly orange juice, be eliminated. During the Collor government, Brazil already has lifted restrictions on the import of U.S. goods and services, and so it now expects the United States to reciprocate. In the case of orange juice, for instance, Minister Cabrera explained that because of the surcharge on the product, Brazil has lost revenues of $7 billion in recent years.

[Begin Cabreras recording] Today Brazil pays $492 per metric tonne of orange juice exported to the United States. This means that in the past 15 years, Brazil has paid more than $7 billion just in taxes in the United States. That money could have remained here generating employment and more foreign exchange if it were not for the U.S. surcharges. [end recording]

U.S. Commerce Secretary Robert Mosbacher promised Minister Cabrera to advocate the end of surcharges on Brazilian agricultural products with the government in Washington.

Protocol of Intent Signed

PY0808020691 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 7 Aug 91

[Summary] U.S. Vice President Dan Quayle signed in Brasilia a protocol of intent between IBAMA [Brazilian Institute for Environmental Affairs and Renewable Natural Resources] and the U.S. Forest Service. The protocol provides for cooperation on forest matters, ranging from forest research to forest fires.

Quayle Visits Sao Paulo

PY0808021291 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 7 Aug 91

[Excerpt] After he ended his visit to the Brazilian Institute for Environmental Affairs and Renewable Natural Resources, U.S. Vice President Dan Quayle, with his wife and daughter, headed to the Brasilia Air Base, where he boarded a plane that was to take him and his party to Sao Paulo. [passage omitted]

Foreign Minister Rezek Meets PRC Counterpart

Discusses Bilateral Relations

PY0708155491 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 6 Aug 91

[Text] Foreign Minister Francisco Rezek is in the PRC, where he met on 6 August with Foreign Minister Qian Qichen. The PRC minister believes that the strengthening of PRC-Brazilian relations is extremely important, particularly in the fields of politics, economy, trade, culture, and science and technology.

Minister Rezek emphasized that the PRC and Brazil have always enjoyed good relations and that there are many similarities between the two countries.

Minister Francisco Rezek is in the PRC to prepare for President Collor's upcoming visit.

Consulates To Open

PY0608114891 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 5 Aug 91

[Text] Brazil will open a consulate in Canton, China and the PRC Government will open an office in Rio de Janeiro. This is the result of an agreement signed today in Beijing between Brazilian Foreign Minister Francisco Rezek and his PRC counterpart Qian Qichen.

Rezek told Jiang Zemin, head of the Chinese Communist Party, that the objective of his visit to the PRC is to pave the way for the visit that President Fernando Collor de Mello will make to the PRC.

Trade between the PRC and Brazil totaled $630 million last year. Brazil imports PRC petroleum and other products, and exports soybean and other products to the PRC.

The Brazilian foreign minister arrived yesterday in the PRC for a four-day visit. He will then travel to South Korea.

Collor on Penalty for Drug Trade Deputies

PY0708162691 Rio de Janeiro O GLOBO in Portuguese 5 Aug 91 p 1

[Excerpt] During an interview yesterday in Fernando de Noronha, President Fernando Collor talked for the first time about the case of the Rondonia congressmen accused of being involved in drug trafficking. He said he has trusts in the investigation being conducted by the Chamber of Deputies.

Collor said: "The Chamber of Deputies will give us the answer that all Brazilians want, that is, to investigate thoroughly the alleged participation of congressmen in the barbarity that drug trafficking is and ensure that those who are effectively involved in it are stripped of their [congressional] immunity so that the courts can prosecute them." [passage omitted]

Embraer's U.S. Subsidiary To Market Aircraft

PY0508163291 Rio de Janeiro O GLOBO in Portuguese 3 Aug 91 p 32

[Reported by Eustaquio de Freitas]

[Text] Sao Jose dos Campos—All exports of Brazilian planes will now be handled by Embraer's [Brazilian Aeronautics Company] U.S. subsidiary. Operating under U.S. laws and with access to the international financial market, the Embraer Aircraft Corporation (EAC), based in Fort Lauderdale, Florida, will purchase the planes and then sell them abroad with more favorable interest rates and payment conditions than those that exist in Brazil.

This was the most important measure announced on 2 August by Ozires Silva, the enterprise's superintendent, as part of a program to recover the state-owned company. The U.S. subsidiary will thus absorb the activities of Embraer's French subsidiary, which will continue to support the technical assistance for planes sold to European and Middle East countries. The EAC already controls 45 percent of the market of Brazilian planes through sales made in the United States.

Ozires said that the industry has $100 million worth of planes that are ready to be flown and can be sold in the short term. Next week, Ozires will travel to Europe and then to the United States seeking to make contact with clients, suppliers, and creditor banks. His main objective is to renegotiate the company's short term debt, which amounts to $680 million.

On 2 August, before some 500 persons who work on the production line of the Brasilia plane, Lafaiete Torres, president of the Bank of Brazil, signed with Embraer the financing contract worth $407 million, which will be disbursed in three installments starting next week.

"It must be clearly understood that this is not a question of aiding the company. It is a loan like any other, under identical conditions to those offered by the U.S. Government to Chrysler," Ozires said.

The loan is for 12 years with a five year grace period and an 8.5 percent per year interest rate. With these resources Embraer will pay internal and external suppliers and will reschedule its bank debt, seeking longer expiration dates. The most urgent matter now is to obtain funds to complete the development of the CBA-123 Vector plane, a 19-seat plane that is very technologically advanced high. The Aeronautics Ministry is considering buying some of the planes to make viable its mass production.

Aeronautics Minister Brigadier Socrates Monteiro has said that the Special Transport Group of the Brazilian Air Force (FAB) could use 20 of these planes, but the purchase is under preliminary study. The Vector's price has been set at $6 million and it will enter the market at the end of 1991. Only two experimental models have been finished.

Chile

Aylwin on Extension of Presidential Mandate

PY0708185491 Santiago Radio Chilena Network in Spanish 1700 GMT 7 Aug 91

[Relay from La Moneda by Nelson Oteiza]

[Excerpt] President Patricio Aylwin has categorically denied the possibility of extending his presidential mandate. Aylwin made this statement during a news conference at noon today at La Moneda Palace for the local and foreign media, in which he referred to the current political situation in Chile.

President Aylwin said that he had not paid much attention when the possibility of extending his term in office was mentioned for the first time.

[Begin Aylwin recording] When I realized that the subject was a matter for debate and division and that it reemerged as a new matter of controversy, I felt it was my duty to categorically state no. I do not want, and I will not accept, that possibility. [end recording]

The chief of state explained that his decision is in keeping with his political principles because in 1989 the people elected him as president for a four-year term. He pointed out that he is in favor of a six-year presidential term, however, it should be the result of a future constitutional reform.

Aylwin said: I ask those politicians who are considering this possibility to dismiss the idea. During its four years, people should be aware that this government will fulfill all its tasks.

He also said that the people should not consider extending the democratic transition period, because we already live in democracy in our Chile. [passage omitted]

Pinochet Advocates Agreement With Argentina

PY0708121491 Santiago Television Nacional de Chile Network in Spanish 0030 GMT 7 Aug 91

[Text] General Pinochet favors the border agreement signed with Argentina. He said that the president of the Republic is the most prominent patriot and his negotiations reflect this position. Pinochet referred to the Army budget at the end of a meeting with the defense minister. He stated that it has not yet been implemented because its drafting was only concluded this morning. He also referred to the border agreement signed by President Aylwin and Argentine President Carlos Menem.

[Begin recording] [Unidentified reporter] What do you think about the agreements signed by Chile and Argentina?

[Pinochet] The president is the most prominent Chilean patriot [passage indistinct].

[Reporter] General, what can you tell us about a final response to the investigations (?requested) by the Defense Ministry into press reports of political espionage?

[Pinochet] I would not call a case involving an informer [soplonaje], espionage. [end recording]

Colombia

Report on Gaviria's Army Anniversary Speech

PA0808040191 Bogota Inravision Television Cadena 2 in Spanish 1800 GMT 7 Aug 91

[Reported by Oscar Galvis]

[Text] President Cesar Gaviria Trujillo has commemorated his first year in office with a speech, which has just concluded, during a ceremony at the Military Cadets' School to mark the Colombian Army's 177th anniversary. President Gaviria issued an appeal to subversive groups and drug traffickers, urging them to abide by Colombian justice, adding that the progress achieved should not be minimized because some of those who violated peace have surrendered. Others have yet to do it, but one must not lose hope that groups that are still at arms will eventually surrender because the government and the society are prepared to receive them and offer them all the necessary guarantees, he said.

[Begin Gaviria recording] Some of the groups that violated the peace and tranquillity of the Colombian people have finally decided to submit themselves to the law and the courts. A considerable number of those who had taken up arms against our institutions, reportedly to fight the narrow-mindedness of our democracy, have agreed to abandon that road and peacefully and legitimately participate in the construction of the new Republic. Others have opted to continue with their usual attitude, as if the immense transformations that have taken place in Colombia over the past year did not warrant a change in their methods and tools of struggle. I harbor the hope, and I know that millions of Colombians share that hope, that these people will realize—during the decisive moments that lie ahead—that we still must carry out many tasks in this historic effort to achieve goals and change. [end recording]

CNGSB Communique on Ending Attacks Reported

PA0708185991 Bogota EL TIEMPO in Spanish 3 Aug 91 pp 1, 6A

["Text" of communique issued by the CNGSB, Simon Bolivar National Guerrilla Coordinating Board, on 2 August; place not given]

[Excerpts] [Passage omitted] 1. The Simon Bolivar National Guerrilla Coordinating Board [CNGSB] hereby expresses its recognition of the guarantees granted to the negotiating commission, which returned from Caracas according to the acquired commitments.

2. Interpreting the Colombian people's growing demand for peace, we maintain our decision to continue struggling for a negotiated solution to the national crisis.

3. It is with this spirit that we have ordered our fronts and other structures immediately and indefinitely to cease all actions against the nation's electrical facilities.

4. We are denouncing the abuses that peasants are enduring at the hands of military forces in places such as Puerto Lopez (Antioquia); El Carmen, Santander; and La Uribe (Meta). The bombing, strafing, killing, torturing, arbitrary arrests, military posts, need for safe conducts, and curfews are commonplace components of a policy that has produced only hatred in the fatherland and that incites more to confrontation than to peace.

5. We urge Colombians to work at the departmental, regional, provincial, district, municipal, community, neighborhood, and street levels to create committees that should work for a negotiated solution to the conflict and for the right to live in peace.

Together we can do it.

[signed] CNGSB. [passage omitted]

EPL Leaders Say Organization To Remain Intact

PA0708143191 Bogota EL TIEMPO in Spanish 31 Jul 91 p 6

[Text] The Hope, Peace, and Freedom Movement (EPL) will remain as such. Its dissolution will only be decided by that organization's national congress, which could be held in November.

This was stated by members of the EPL political commission during a news conference held on 30 July in Bogota. They reiterated this, although, they respect the opinion of Bernardo Guitierrez [former Popular Liberation Army commander] and Jaime Fajardo, they do not totally agree with them.

The EPL members said: "We cannot talk about disbanding while there are no definite plans for reincorporation [of former EPL members into civilian life]. We cannot leave over 2,000 former fighters up in the air, just like that; that would be irresponsible. That is our commitment."

Nevertheless, they did state their interest in strengthening the AD M-19's [19 April Movement Democratic Alliance] project, noting that in some regions that process of integration is already being implemented. The EPL members acknowledged Antonio Navarro Wolff as head of the AD M-19.

Moreover, they stated that such a decision would only be made during the national congress to be held November, although it could be held ahead of time due to political pressures.

Meanwhile, they claimed that the EPL's organization will remain intact and that all the former commanders support the position held by Anibal Palacio and Dario Mejia [members of the EPL political commission].

With regard to this, EL TIEMPO consulted Bernardo Gutierrez on 30 July. He claimed that between 29 and 30 July he had received telephone calls from Alberto Martinez and Omar Caicedo, former EPL commanders in Uraba, as well as from the regional leaders in Bolivar Department, in northern and southern Santander Department, and from the Atlantic Department; they all said that they supported his decision.

FARC Front Commander Gonzalez Breaks Away

PA0708025191 Bogota EL TIEMPO in Spanish 4 Aug 91 p 1

[Text] Salomon Gonzalez is the first front commander who has decided to break away from the Revolutionary Armed Forces of Colombia (FARC). He broke away because he disagrees with the terrorist methods used by the Simon Bolivar National Guerrilla Coordinating Board. He disagrees with blowing up electricity poles and kidnappings, which he terms an authentic human rights violation.

This man, whose testimony was collected by EL TIEMPO's political editor Ricardo Santamaria, is 45-years old and has dedicated six years to the Communist Party and 22 to the FARC.

He was born in Frontino, Antioquia Department, and began at an early age his life as a guerrilla in Caqueta Department. Ten years ago he was placed in charge of Uraba and Cordoba Departments and became the 18th Front commander and a member of the FARC's general staff.

Today, he not only renounces to terrorist methods but does not believe in the validity of the armed struggle. He believes that Colombia's current situation demands a new political-type proposal from the guerrillas. He spoke of how he abandoned the FARC and why he did not appear before the FARC Secretariat to speak his mind. Now he awaits contact with the government to resolve his situation.

Gonzalez says there are more people within the FARC who think the same way he does, but internal conditions prevent these positions from being discussed.

Antiterrorist Unit Created in Valle Del Cauca

PA0508184091 Bogota EL TIEMPO in Spanish 31 Jul 91 p 6c

[Excerpt] Cali—The Regional Security Council of Valle del Cauca Department on 30 July decided to establish a special unit to restore peace and capture those responsible for an attack in the evening of 27 July against the Las Brisas Beach Resort, located on the road between southern Cali and Jamundi. The attack has left, as of now, 17 dead and 13 injured.

The unit will be made up of members of the police, Army, and Administrative Department of Security (DAS) and will operate in uniform and civilian clothing. It was not revealed how many people will make up this squadron, but it is known that they will conduct antiterrorist actions in the metropolitan area of Cali, which comprises the capital of Valle del Cauca Department and four nearby municipalities.

The security council, in view of the wave of crime that is threatening peace in the region, voted to spend the entire security budget assigned to Valle del Cauca Department. Nevertheless, because the budget is small, it was deemed necessary to ask the national government to augment it.

Meanwhile, according to official reports, investigations into the Las Brisas massacre have led to the detention of several suspects. Albeiro Ospina and Javier Tito Munoz are mentioned as possible leaders of the attack. Security organizations are trying to determine their participation in and relationship with criminal organizations. It was known that Munoz's file shows that he had been linked to a kidnapping.

Meanwhile, Cali Mayor German Villegas Villegas has said that this attack is similar to another, which was attributed to the Medellin Cartel, against the Los Cocos Farm, Candelaria, in November last year; 21 people were killed in that attack. He added that the affiliation of those who attacked Jamundi recently has not yet been determined. [passage omitted]

Authorities Find, Seize 'Large' Arsenal in Cali

PA0808000991 Bogota Inravision Television Cadena 2 in Spanish 1730 GMT 7 Aug 91

[Text] DIJIN [Directorate of Judicial Police and Investigations] and DAS [Administrative Department of Security] authorities have recently conducted a raid in southwestern Cali. They have discovered a large arsenal

in a luxury apartment. The arsenal includes three cannons, antiaircraft rockets, antitank mines, and a substantial amount of dynamite.

Return to Coffee Quotas System Ruled Out

PA0608023591 Bogota Radio Cadena Nacional in Spanish 1200 GMT 5 Aug 91

[Text] Colombia has advised the other coffee producing nations that the return to the previous quota agreement system has been ruled out, although it is a party to a joint coordinated action to strengthen the international coffee market. Foreign Minister Luis Fernando Jaramillo Correa stressed that the liberated coffee market has had positive results for Colombia, as its sales have been significantly boosted. The minister explained that the reestablishment of coffee quotas is not possible. However, there is a possibility of reaching an agreement with the Central American coffee producing nations to act as a bloc in export negotiations and thereby enhance the price of coffee on the international market.

Editorial on Gaviria's First Year in Office

PA0808150891 Bogota EL TIEMPO in Spanish 4 Aug 91 p 4A

[Editorial: "One Year"]

[Text] The president has completed his first year in office. Perhaps few like him have created so many problems for columnists when judging his work. The things that he has done have turned out well, partly because of luck but mostly because the country is not too big for him. His professional realism when facing problems enables him to find solutions, which have started off on the right foot. What lies ahead in the next three years will test President Cesar Gaviria's accuracy. He has laid the groundwork for a country which is anxious to breath and change its lifestyle. One thing is the groundwork that has been laid out and another is how things develop. This is why President Gaviria is being judged on his beginning, which has been revolutionary. Only at the end of his presidential term, will we see the results. Let us take a brief look at what has taken place over the past year days.

The president's personality, especially his way of perceiving and doing things, has a lot to do with the change in the country's emotional climate. It has often been said that Dr. Gaviria is a mysterious and cold person. Those who believe this have their reasons. It is not easy to find out how he thinks or anticipate how he will act. His reserved manners, however, are not being condemned because he is very cordial. The president is accessible and easy to deal with, although he quickly tells his interviewer that no one can go beyond certain limits. He does not close himself off and has not created an ivory tower, but his personality is not a flat, open plain that anyone can cross. Thanks to this mixture of candor and distance, he has made himself likable and respectable.

Another basic characteristic of the president is his pragmatism. Dr. Gaviria believes in results more than in abstractions. He is practical, not sentimental. He goes straight to the point and has used this empirical approach in his entire administration. He does not lack principles but is more comfortable in the hard world of concrete facts than in the dreams of a utopia. He is not seduced by gestures and is not a fundamentalist or dogmatist. Often, when trying to achieve success, he runs the calculated risk of being too pliable. He measures the value of norms, not so much for their philosophical worth, but for their usefulness. His policies on drug trafficking, praised by some and severely criticized by others, confirm this opinion. He sent Pablo Escobar and almost the entire Medellin Cartel to jail, but at the price of making continuous and unorthodox adjustments to the law.

The formula has not worked for terrorist guerrillas, because Tirofijo and Perez, the priest, have the typical stubborness of Marxist-Leninists, who believe history is on their side and that victory will be theirs because of fate. A pragmatic man like Cesar Gaviria does not seem to understand the language of Stalinists: that of a revealed truth and inflexibility. Perhaps Dr. Gaviria's pragmatism will enable him to find another solution. Meanwhile, the guerrillas are putting the nation under a state of seige. There are large parts of the country where the president has no jurisdiction.

The economy is not doing so well for this reason and other reasons. Extortions, kidnappings, and terrorism have crippled businesses. Industrial production has fallen, and the increase in the cost of living shows the fight against inflation has not been successful. Perhaps if the government had not taken these measures, things would be worse. This is no consolation, however, for the people who complain because their purchasing power decreases each day and who feel things will not improve in the short or long run. The fighting among ministers in the economic sector contributes to the confusion and hopelessness. The policy of openness and the bold privatization measures, however, will produce good results in the long run. The fact that they have not been tempted by illusions of popularity speaks well of the president and his finance minister, who have refused to implement a dangerous and temporary prosperity.

The president has come out a winner in the political field. He convened a constituent assembly against all odds and was able to make the constitutional reforms pass. He also handled the assembly with tact and ability. He exercised a subtle but efficient leadership over the assembly. He realized the unexpected power of the assembly and avoided a useless and perhaps dangerous confrontation. In the Constituent Assembly as well, his sharp practical sense prevailed over any other considerations, and he won.

Today, it is clear that the country has changed. There is a feeling of freshness and newness in the air. The reforms were like a tonic for a nation that had already begun to lose its

faith. During his first year, President Gaviria may not have been an exceptional statesman, but he has been able to achieve something that had not been achieved since the days of Alberto Lleras. He has provided Colombia with vigorous and healthy emotional inspiration.

*** Resolution Frees, Decentralizes Exchange System**

91SM0413F Bogota SEMANA in Spanish
9 Jul 91 pp 34-35

[Text] The Constitution of 1886 was not the only institutional pillar to be toppled last week. The Monetary Board also was relegated to history. Its final resolution, in turn, buried once and for all what had been the backbone of Colombian foreign trade since 1967: the famous Decree 444.

Resolution 57 of 1991 introduces a new exchange system that will govern this area in a new, more open and internationalized economy. Perhaps its most significant innovation is the improved efficiency of foreign transactions by Colombian residents and the flexibility in the management of the exchange situation.

It has other merits as well: For one thing, it brings together in a single entity a number of measures and resolutions complementing Decree 444 that had been widely scattered and had confused matters. For another thing, it eliminates the paternalism of the old exchange system, in that now almost any exchange operation will be permitted (with the exception of a few that will be banned), whereas before, Colombians could only undertake those that were expressly allowed.

The resolution begins by reaffirming the existence of the two foreign currency markets established in Law 9 and Resolution 4 of this year: the free market and the exchange market. The free market will consist, basically, of foreign currency earnings that are derived from rendering professional services of any kind, from selling goods and services to tourists, and from donations or any other income not exceeding $20,000. Anyone possessing this foreign exchange can either keep it in checking accounts abroad or freely negotiate it in this country.

The other market, the exchange market, covers ordinary foreign trade operations, foreign investment, and foreign indebtedness. In other words, nearly all operations that had been subject to control by the Bank of the Republic under the old system.

Resolution 57 seeks to decentralize the entire system and to streamline the Central Bank's Exchange Office, which used to have to review and approve every single transaction conducted with another country or involving any movement of foreign currency. Many of these functions will be transferred to banks and financial corporations, for which a whole new dimension of operations is opened up, ranging from those that are normal in foreign trade to the possibility of intervening in sophisticated futures transactions and foreign currency options on international markets.

The banks and corporations will become the key players in the exchange arena. To begin with, they will be allowed to have a greater internal foreign currency position in order to carry out their exchange transactions. The maximum amount of this position was set at 20 percent of each entity's technical equity, and the minimum at 0 percent. This eliminates the possibility of any entity having a negative internal position, as occurred in the past. When an entity goes beyond these limits, either above or below, it will have three days to either sell or buy the necessary foreign currency in the Bank of the Republic.

As for foreign trade transactions, that is, everything having to do with importing and exporting goods, the main innovations introduced by the Monetary Board are the simplification of procedures and the consecration of the principle of comprehensiveness. The former will substantially cut red tape and reduce the time it takes for an importer or exporter to meet all the requirements imposed by the commercial bank engaging in the transaction, as well as those imposed by the Bank of the Republic on that bank. The latter innovation will allow for comprehensive treatment of all the costs involved in a foreign trade transaction. For example, in the past if an export transaction entailed freight costs payable in foreign currency, the proceeds from the export transaction had to be turned in and an exchange license had to be requested separately to pay the foreign freight expense. Now, the exporter may use the proceeds from his sale to cover all expenses incurred, and may turn in the net value.

In addition, the management of authorizations for checking accounts abroad has also been simplified. Anyone carrying out activities that entail constant inflows and outflows of foreign currency in foreign exchange transactions may be authorized to open a checking account. And for firms with business in excess of $50 million in the year prior to the request for authorization, there is an offsetting mechanism that enables them to deposit the proceeds from their exports into a checking account abroad and, in turn, to draw on the same account to pay for imports, offsetting positive balances and turning in surpluses every three months.

As for foreign indebtedness, in principle, the system that was in effect prior to Resolution 57 remains intact. But it is now possible to sell securities and bonds on international markets. The procedures, however, will be streamlined considerably. The idea here is to allow many companies that had until now obtained financing on domestic markets to go try their luck abroad. The only problem is that there is still a limit on interest rates of 2.5 percent above the London or New York preferential rates. And it is unlikely that these companies will be able to find rates below that limit.

These are just some of the principal innovations in Resolution 57, which will undoubtedly mark the beginning of a new era and will allow Colombians to join the international economy. It remains to be seen what the response will be to these interesting and bold mechanisms that the government has put before the country.

* De la Calle Gives Views on CA, Constitution

91SM0413E Bogota CROMOS in Spanish
8 Jul 91 pp 18-19

[Interview with Humberto De la Calle Lombana, minister of government, by Yirama Castano Guiza; place, date not given]

[Text] Minister of Government Humberto De la Calle Lombana, 45, is a native of Manizales who, after serving as spokesman for President Cesar Gaviria in the National Constituent Assembly [CA], must now devote all of his energies to solving the problems of the dialogue with the Guerrilla Coordinating Committee in Caracas, and to the Legislative Commission that will implement the new Constitution of Colombia. His work began when Cesar Gaviria called him in to help draft the government reform bill in the Assembly, and according to De la Calle, the ideological ties were so strong that the president immediately placed full confidence in him.

Doubts and Reservations

[Castano] What do you think of the work of the Constituent Assembly?

[De la Calle] It is quite positive. From the political standpoint, the Assembly accomplished what the government initially intended. That is, to open up the political system, make it permeable, and incorporate new forces into national politics. The fact that this is the first time a constituent body has been put in place by popular election is a milestone in Colombia's political and constitutional history. From the standpoint of legal technicalities, the framework of the Constitution is solid. In some cases the text could stand some editing. It is clear that the way the work was done, with the presence of so many dissimilar groups, meant that no one could be in complete agreement with all of the articles. But as far as the general guidelines or ideological purpose is concerned, the reform is a success.

[Castano] Some argue that the government's plan did not meet expectations and that it was the big loser. Do you think these proposals were defeated?

[De la Calle] They are wrong, because I am in a position to demonstrate, point by point, that the government's ideas prevailed. Obviously, they were enriched by the work of the Assembly. The basic objectives of the plan were the drafting of a new bill of rights, the implementation of new mechanisms to protect those rights, morality and efficiency in the passage of legislation and new powers to exert political control over Congress, time limitations and graduated levels of the state of siege, the establishment of the Public Prosecutor's Office and the Constitutional Court, the creation of the Defender of Human Rights, regional autonomy, effective fiscal control, and the establishment of new channels for citizen participation in decisionmaking. All of this is included in the new Constitution. Thus, the overall result is successful and satisfactory.

[Castano] What is the constitutional framework of the new country to which you allude?

[De la Calle] What I see in the future is a political system based on consensus. The new country is pluralist and respectful of others' ideas. We have managed to overcome the hegemonism that had been plaguing us since 1886. Critics are wrong when they say that the president's ability to maneuver has been weakened. In a strong state, the various organs of power and social entities come together to achieve certain ends. The strong state should not be confused with an exaggerated presidentialism.

[Castano] There is also talk of a political change for Colombia. What will that "turnaround" be like, now that the Assembly has approved the second round of voting [doble vuelta], the vice presidency, the reform of Congress, the Public Prosecutor's Office, the Constitutional Court, and other concepts?

[De la Calle] What we have at hand is not just a constitutional change. We also seek to make politics cleaner and more honest, to really bring back the original idea of serving others. There is a desire to see a Congress purged of vices and a system in which more sectors of opinion can come together in a multi-party context. The rigid two-party system is dead. The second round of voting and the election of governors imply the presence of new loci of power.

Too Little, Too Much

[Castano] What issue or amendment was not included that you would like to see in the Constitution?

[De la Calle] I think that with regard to constitutional control, we made progress. It was not, however, just a matter of creating a constitutional court as a new name for an old institution. I insisted on a form of control that would be more closely tied to people's specific rights. We got halfway there. But at least we managed to put the review of the right of protection under the jurisdiction of the Constitutional Court. I think in some areas there was too little, in others too much. For example, I am a little uncertain about the way the vice presidency was ultimately defined. I have some doubts and reservations about the final wording of this matter.

[Castano] As you say, is 400 articles not a hefty piece of work?

[De la Calle] It is undeniable that this is one of the longest constitutions in the world. But there is a political explanation for that. Colombia underwent a veritable peaceful revolution. The new forces, ideas, and concerns of a country that had been in the shadows were incorporated into the Assembly. That country wanted to cover all 83 empty spaces, and the members of the Constituent Assembly wanted to cover all the bases, address all their concerns. To a certain extent, this violates the traditional method, because it was not possible to make a very

general constitution. To that extent, the decisions that were made are valid because they mark the beginning of a new era for Colombians.

[Castano] Some say that this is an ad hoc constitution, forced into being by a political process. They add that it might even change in five years.

[De la Calle] It is difficult to predict that. I see durability in the overall scheme, in what I call the constitutional framework. Obviously, there may be corrections in certain specific institutions. When this political process is decanted, it may be that the forces will decide to make a more general, less detailed constitution. In terms of function, some norms will probably not last too long.

[Castano] Do you think the new constitution is a valid tool for eliminating the vices of the old political country?

[De la Calle] The area where the most progress has been made is that of political purification. The most important issue is the restoration of a clean forum for engaging in politics. In that area, the Constitution will take effect immediately.

[Castano] Can this process fail at any point?

[De la Calle] Yes. As in any human endeavor, there can be defects, errors, unforeseen developments, and sometimes a certain ingenuousness. I do not deny that some of the norms contain aspirations that reality may contradict. We are also aware, and public opinion was warned of this, that the Constitution cannot fix all of the country's problems.

Ready for Everything

[Castano] How do you think the constitutional reform will fare in the Congress that will be elected on 27 October?

[De la Calle] I am optimistic. I think the basic institutions will be valid, no matter what forum they are debated in.

[Castano] Is it true that you maintained minute control over every single decision that was made in this Assembly?

[De la Calle] It is true that we worked around 18 hours a day for six months. I would not go so far as to say that there was control; for one thing, it would be offensive to say so. But I do believe that there was a contribution to the processing of the reform.

[Castano] How would you describe the new Constitution?

[De la Calle] Progressive, center-left in orientation. It is a social democratic constitution that opens up new horizons on the Colombian political scene.

[Castano] What is the status of the Liberal Party after the Assembly?

[De la Calle] If it does not modernize immediately, if it does not bring in a new leadership and develop the ability to make decisions on ideological grounds and no others, the Liberal Party will perish.

[Castano] In the survey conducted by CROMOS, you come out sounding like a vice president or even a presidential candidate. Are you willing to go to the Palace?

[De la Calle] I think it is very premature to express an opinion on that. For the time being, as long as President Gaviria wants, I will remain at the Government Ministry.

* Parejo's Criticism of Drug Policy Analyzed

91SM0413D Bogota SEMANA in Spanish 2 Jul 91 p 26

[Text] The worst criticism of the government policy that led to Pablo Escobar's surrender did not come from the WASHINGTON POST or the NEW YORK TIMES, or from Bob Martinez or the U.S. Ambassador in Bogota, Thomas MacNamara. Paradoxically, it came from the very heart of Cesar Gaviria's administration: from Enrique Parejo Gonzalez, Colombia's ambassador to Switzerland. Last week the former justice minister took aim and fired at Gaviria's policy on narcoterrorism. This was the second time he had done so; before the surrender he had sent a public letter stating that the government was giving up the fight. This time he ticked off, one by one, all the concessions he thought had been made from the issuance of Decree 2047 until Pablo Escobar entered jail. He reached the conclusion that fundamental principles of law and justice, such as equality before the law, had been violated.

The ambassador's newspaper column not only was at variance with the prevailing atmosphere, but also created a diplomatic and political problem of the first order. As ambassador, it was unacceptable for him to attack what the government considers to be one of its greatest achievements. Because he is a former minister of justice who signed extradition papers, the ghost of Low Murtra made it impossible for anyone to call for his resignation. That was especially true of Foreign Minister Luis Fernando Jaramillo, who had taken all the blame for that episode. The government, up against the wall, had no alternative but to remain silent at first, in view of what was practically a provocation. This uncomfortable situation lasted three days, until the foreign minister received his ambassador's resignation, albeit dated a day before the publication of the column.

Jaramillo responded with an ambiguous letter which, in so many words, said that because of the threats on his life, he would be allowed to remain in the post, but that he should please refrain from writing articles against the government. The letter was incoherent, but the truth is that nothing else could have been written. Skillfully, Parejo turned around in a second open letter, pointing out that the concerns about his safety were an implicit acknowledgement that "The government doubts the efficacy of its own policy on drug trafficking and its ability to provide protection to those of us who have felt it our duty to combat criminal actions." Explaining that his resignation was irrevocable, he repeated in a second

column in EL ESPECTADOR that in his view, "essential values had been sacrificed for the sake of some superficial, fleeting achievements."

Parejo's words caused particular discomfort because everything he said was true. The list of changes that took place during the kidnappings was accurate. The ambassador's central argument was that there was no logic in treating drug traffickers, who had committed barbarous acts, far better than other Colombian criminals. His conclusion was that a precedent had been established for obtaining favorable treatment in the courts through atrocious procedures.

Although everything the ambassador asserted was true, there were some other truths he had omitted. The main one was that the reason the Colombian state had not arrested the drug traffickers was not because it did not want to, but because it was unable to. In view of this situation, which had lasted 10 years, the government had to change its strategy, replacing a military strategy with a judicial one. The latter consisted of convincing the narcoterrorists that they would be better off turning themselves in than continuing their struggle. Passing legislation to enable someone to surrender is a procedure that has never been tried in Colombia, and it is of no use unless the people involved agree to it. To a certain extent, it was the best possible bargaining position in a war that no one was winning.

Many thought that Parejo's position was based as much on principle as on political tactics. The fact that he had been the victim of an assault by narcoterrorists gave his assertions a special legitimacy. But besides that, it could be argued that a certain political domain could be occupied by raising banners that the New Liberalism had waved in the past. To assure that no one would wave such banners during the process of his surrender, Pablo Escobar kidnapped Maruja Pachon. And it worked. With Galan's sister-in-law in his power, no Galanist would dare raise his voice against the government's measures.

By resigning his post, Enrique Parejo Gonzalez joins a minority led by EL ESPECTADOR, Carlos Lemos Simmonds, and Juan Diego Jaramillo, who are defending some irrefutable moral principles that have, for the time being, been defeated by political reality. All of them are staking their careers on the expectation that, in the long run, history will prove them right.

* Party Prospects for Next Elections Offered

91SM0413C Bogota SEMANA in Spanish 2 Jul 91 p 30

[Article by Maria Isabel Rueda]

[Text] Barring a tremendous upset in electoral prospects, the die is practically cast for the various sectors that will compete in the upcoming elections. If the situation had to be summed up in one sentence, it would be this: M-19 [19 April Movement] will survive, Andres Pastrana will triumph, the National Salvation Movement will decline, and the Liberals will lose their absolute majorities.

M-19: For all parties and movements, the upcoming elections contain some common denominators that make the results very predictable. The first of these is that because of the use of the "big card" ballot [tarjeton], the names of the candidates will be definitely known. The votes will be hauled in by the political bosses, but ironically, the main bosses of the present day will be absent: Ernesto Samper, Alvaro Gomez, Antonio Navarro. Nonetheless, whereas the Liberals may be able to do fine without these big names, since they have had a well-oiled machine for the last half-century, M-19 and the National Salvation Movement will suffer.

The polls show a huge disparity between Antonio Navarro's popularity as an individual and the popularity of his movement. This means that there will also be a major difference between elections with Navarro and elections without him. M-19 was wise enough to recognize this, and it appears to have decided not to be counted; instead, it will hide behind some multiparty coalitions, like the one with Carlos Albornoz (Conservative) in Pasto, and Fuad Char (Liberal) in Barranquilla. As a result, it will emerge intact, avoiding an electoral catastrophe. M-19 will try to combine its own prestige, as a movement without a boss, with that of bosses without a movement.

National Salvation: The absence of Alvaro Gomez's name on National Salvation's list also looks final. It may not even be offset by a name from the family, that is, another Gomez Hurtado, at the head of the lists. In addition, Gomez's alliance (nonexistent but apparent) with Navarro in the Constituent Assembly robbed him of the support of the so-called 5th and 6th layers (read: business sector), who ironically have breakfast and lunch with Navarro, ask him for favors and offer him money, and yet will not forgive Alvaro Gomez for speaking to him. Not only has his image been thus tarnished, but he has also had a falling out with his own political class, who will probably not forgive him for playing an active role in the revocation of Congress' mandate.

Social Conservatives: All of the above circumstances open up a broad path for their main rivals, the Social Conservatives, who will not only end up with nearly all the Conservative machinery, but will also have a five-star name at the head of their lists: Andres Pastrana.

Andres is practically the only national leader to be running in the upcoming elections. The polls give him a popularity rating of 30 percent in comparison with a number of regional leaders who have no national name recognition. And if, as is to be expected, Andres breaks out of the confines of his movement and forms lists that have names from other political groups, the decline of Social Conservatism could make a sharp turnabout. Without exaggerating, it could be said that if the elections for the Constituent Assembly were made to order for Gomez and Navarro, the next congressional elections will be the same for Andres Pastrana.

Liberal Party: On this occasion, Operation Wasp could become Operation Hornet, with a handful of minor leaders disputing the domain left vacant by Ernesto Samper. In this context, the level of national recognition that the candidates can attain will be more important for victory than any other political factor. From the start, the polls indicate that, barring any surprises, four candidates have such recognition. Junior Turbay, who benefits from the well-known name of his father and whom the country associates sentimentally with the tragic death of his sister, comes out with an 87-percent recognition rating in the polls. Fernando Botero, who as a new star on the scene got six months in the limelight as secretary of his party, gets 80 percent (see survey published in this issue of SEMANA). And he is followed by David Turbay (who could be sold as the coastal candidate) and Alvaro Uribe Velez (who has unquestionable regional strength and national aspirations). Compared to the 62-percent representation the Liberals now enjoy in the Senate, they could consider themselves well off if they manage to hang on to a relative majority, like the one they have in the Constituent Assembly.

Although parliamentary elections normally arouse little enthusiasm unless they are linked to mayoral elections or a referendum, the November elections will certainly be boosted by the novelty of the simultaneous voting for governors. For this reason, experts predict that voter turnout will be 5 million to 6 million. This means that for the Senate there will be an electoral quotient of between 50,000 and 60,000 votes. And that, in turn, means that absolutely all of the political faces that are rejected by the public will return to Congress, eagerly wagging their tails, although this time they will be on their own, without followers.

The only Colombian capable of bringing more people to Congress than Andres Pastrana, the most well-known head of the lists in the next elections, would be Father Garcia Herreros.

* 'Illegal' Aspects of Constitution Detailed

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9 Jul 91 pp 20-22

[Text] On Thursday 4 July, when each of the 74 members of the Constituent Assembly solemnly lined up to sign the new Colombian Constitution, the vast majority of Colombians felt that they were witnessing a historic moment. And with reason. After all, 105 years had gone by since a similar event had taken place, and anything that happens only once a century inspires respect. There was already speculation about who would really be the Miguel Antonio Caro and the Rafael Nunez for history students in the 21st Century.

That was one interpretation of what happened, and it is certainly the one that will be written into the history books. But like all grand events, this one also has alternative interpretations: the one that could be called that of the devil's advocate.

In the first place, what Colombia needed was to change practically everything but the Constitution. The text of the 1886 Constitution, which is about to be relegated to oblivion, does not have a single provision that impedes the development and progress of the Colombian people. Like nearly every constitution in the world, everything it says is perfect. And also like nearly every constitution in the world, if it had any problem at all, it was not in the wording, but in the fact that its words were not enforced. And that is the same risk we run with the constitution that has just been promulgated.

In fact, Colombia, which is a relatively anonymous and insignificant country in the world concert, had only two traits that distinguished it from most Third World countries: the orthodox management of its economic policy and its constitutional tradition. Constitutions, like wine, are rated primarily according to their age. The number of years they have been in effect is associated with the stability of the institutions. In this regard, endurance is more important than content, as any banana republic can promulgate a perfect constitution next week, only to be toppled by the next dictatorship. In other words, there are no bad constitutions; what there are is new constitutions and old constitutions. And the latter tend to be more highly respected because they are just like the devil: He knows more because he is old than because he is the devil. And the Colombian Constitution was one of the oldest in the world.

In the second place, this entire process that just finished came about as a result of the violation of the Constitution, which does not bode well at all. Specifically, Article 218 prohibited any reform of the Constitution that did not involve two rounds of voting in Congress. This made it particularly difficult to amend the Constitution, as evidenced by the abortive attempts to do so in the Lopez, Turbay, and Barco administrations. This led many to the conclusion that an extra-constitutional—illegal—mechanism had to be devised to get around the rule. The principal argument went that Congress was incapable of reforming itself. The second argument was that the two-round mechanism was too complicated. Of the two, the first was valid and the second was not. One characteristic of serious constitutions is precisely that they are difficult to amend, which prevents the current president from succumbing to the temptation to go down in history as a constitutional reformer. Constitutions are like treasure chests: The whole point is that is is hard to find the key.

The method selected for violating the Constitution and amending it was ingenious, but blatantly illegal. Basically, it consisted of pulling out of thin air the notion of the Primary Constituent Assembly, which in the law is an abstract concept, and turning it into a concrete reality by having 17-year-old teenagers shout in the streets. This was the origin of the famous seventh ballot, which, thanks to the prestidigitation of the news media, turned into a figure of 3 million, just as invalid as the 2 million false I.D.'s invoked by Laureano Gomez when he lost the elections. The truth is that no one was able to count the

seventh ballot, and the figure was a figment of the imagination of journalists who were sympathetic to the reform movement.

Although the figure might have been realistic, the fact is that the entire process lacked legitimacy; the concept of the Primary Constituent Assembly could perhaps have been invoked on the basis of actual events such as a popular rebellion, but never events induced by the executive branch.

The president of the republic, in an attitude that is without precedent in Colombia's tradition of separation of powers, pressured the Supreme Court of Justice by issuing public appeals in which he presented an adverse ruling as if it were a confrontation between 27 judges and the entire Colombian nation. Some contend that the Supreme Court of Justice was cowardly and evasive when it issued a strictly political judgment and ignored legal standards it had sworn to uphold.

More than constitutional reform, what was needed was an excuse to solve problems that were almost personal, problems that had little or nothing to do with constitutional issues. In the first place, there was Pablo Escobar's extradition problem that had to be solved before he would turn himself in. But Cesar Gaviria's problem also had to be solved, without his direct involvement. Nothing better than a "sovereign, all-embracing, omnipotent" constituent assembly.

Another personal problem that had to be solved was that of Antonio Navarro, and incidently, that of Tirofijo and Father Perez. The problem facing the head of M-19 [19 April Movement] was that his movement had been militarily annihilated and he had no alternative but to seek a face-saving way out by participating in a peace process aimed at rejoining civilian life. To make sure that this did not look like a surrender, it was necessary to create an atmosphere in which his entry was accompanied by the creation of a new Colombia in which he was the protagonist. The Constituent Assembly met these requirements marvelously well. As for Tirofijo and Father Perez, an excuse had to be found for them as well. Not so much because they had been defeated militarily, because they had not been, but because with the fall of communism in 1989, the guerrillas had been left without a cause, without a foothold in the world. The creation of the myth of "a new Colombia" made it possible for them to meet in Caracas, on the grounds that the repressive system they had always fought against was changing.

Aside from these problems, there were a lot of grudges that could be settled in the maneuverings of the Constituent Assembly. For example, Gomez was able to avenge himself against Pastrana thanks to the national district system, which enabled Laureano's son to get rid of a thorn in his side once and for all. There was also M-19's grudge against the establishment, which had translated into almost an impasse with each of the traditional forces. And of course the Indians wanted revenge against the whites, the Evangelicals against the Catholics. The latter revenge became a reality with the presence of the Lorenzo Muelas and the Jaime Ortices.

But without a doubt, the big conflict that lay at the heart of the Constituent Assembly was a dispute with the Congress of the Republic. The symbol of this crusade was the railing against the abuse of the assistance allowance and junkets, which are truly insignificant problems in the scheme of national problems, and yet they were the impetus for changing the entire constitution. Like all debates promoted against Congress, this one was rather extremist. It was portrayed as a battle between the forces of good and the forces of evil. The former were represented by personalities such as Ivan Marulanda and Fernando Carrillo, and the latter by the Names, the Guerras, the Santofimios, who, though not present, were the scapegoats for the whole operation. Since the premises of the confrontation were so extremist, it ended up being a failure. The caciques lost a lot of their feathers, but all the names that were slandered will return to Congress.

What is the real result, then, of the new constitution? In addition to solving Escobar's extradition problem and Navarro's introduction to society, some important things happened. First of all, the idea that bipartisanism is an evil that must be destroyed was given a hearing, and no mention was made of the fact that the two greatest democracies of the world, England and the United States, are bipartisan.

How did that happen? By making Colombia once again a semiparliamentarian country, copying European elements from new democracies such as France and Spain, which finance and support M-19. While the political institutions switched from the gringo format to the European one, the justice system did just the opposite; it went from the European inquisitory format to the accusatory style of Perry Mason.

And finally, who ran the Constituent Assembly? Internally, Navarro did. Everyone agrees on that now. No important measure could be approved without the blessing of the chief of M-19. Although his performance as a member of the assembly was so-so, his performance as a negotiator was masterful. No one can deny his talents as a leader and political chief. That is public knowledge. What is not so well known is the fact that Cesar Gaviria was at all times pulling Navarro's strings. The president had more faith in the gratitude—or the opportunism—of his former minister of health, who could maintain discipline among his troops, than in the loyalty of 25 Liberal members of the assembly, who were unruly and arrogant, each of whom he considered indispensable. For this reason, the key alliance in the Constituent Assembly was not so much that of Navarro and Gomez, about which everyone was talking, as that of Navarro and Gaviria, of which few were aware. The result of this alliance is that the assembly allowed a guerrilla leader practically to take over the country and placed him in the anteroom of the president of the republic.

These are the truths of the Constitution of 1991, according to the devil's advocate. As far as he is concerned, the text that came out of this process is not important; it could just as well have been the writing of a novel.

• Strengths, Weaknesses of Constitution Discussed

91SM0413A Bogota SEMANA in Spanish
9 Jul 91 pp 16-19

[Article by Maria Isabel Rueda]

[Text] Strangely enough, not a single member of the Constituent Assembly has expressed the conviction that the 1991 Constitution is very good or that he is completely satisfied. And there is just one explanation for this reticence: the members' firm belief that the new constitution has things that are good, things that are bad, and things that are ugly, and that only time will tell which of these three characteristics will end up prevailing.

The Good

The first good thing the 1991 Constitution has is the fact that the national country managed to make the change it wanted in the political country. Constitutional reform was able to emerge from the most heterogeneous group, but one that represented the entire country, in a process that was given the stamp of political consensus. There was not a single irreconcilable difference, nor were there any of the major disagreements that characterized Santa Fe vs. Millonarios regarding the major national issues that were the focus of the reform. This was a civilized, modern process that quelled political passions. To begin with, there is a new country there. A good new country.

One of the best things about the new constitution—although this may sound strange—is the fact that it respected the government structure created by the Constitution of 1886, without allowing the demagoguery that had its way in other areas of the Constitution, as we shall see later on, to contaminate the essence of the three branches of government. The political system was maintained but adapted to the country's new needs. Among the most revolutionary adjustments is the national district of future senators, a severe blow to the departmental caciques and an invitation to political openness for sectors such as the guerrillas and the Indians. The traditional parliamentary vices, such as excessive generosity with the assistance allowance [auxilio], indiscriminate junkets, and proxy voting by alternates, have all been corrected. And although the center of power will remain the presidency, Congress will now have a larger share of power in the form of votes of no confidence against ministers and a greater role in economic planning. Curiously, although the vote of no confidence scares many people, it is neither new nor original. In the past it was proposed and mysteriously withdrawn from the draft Constitution of 1886 by Jose Maria Samper. Then it was proposed again in 1933 by Moises Prieto, and in 1946 by Jorge Soto del Corral for ministers of finance.

The introduction of the second round of voting is a good idea, as it guarantees that the country will no longer be governed by just two parties, but by consensus, through coalitions that will facilitate the creation of large political blocs, thereby increasing the opportunities for participation.

It is also good that the new constitution respects the principle that has been in place since 1886, that the military is a factor of national cohesion. It has just been updated to include the Air Force and the Navy, as previously only the National Army was mentioned.

The reform of the justice system, a curious mixture of profound changes and a few gambles, is a good idea. The change from the inquisitory to the accusatory system means that from now on, judges will not investigate, they will issue rulings. As the saying goes, "let the cobbler stick to his last" [everyone should do what he knows best]. The Public Prosecutor's Office of the Nation has been established to investigate crimes. This is an inevitable figure within the new judicial system, but it could turn into a risky proposition if it ends up being like the American version, which has become a bargaining system and a political launching pad.

The Judicial Council, which will deal autonomously with the administrative end of justice, and will therefore have to serve as a kind of fairy godmother to bring the Colombian judiciary out of its Cinderella-like state, is a positive innovation.

It is a good idea for the Attorney General's Office to be autonomous and independent of the executive branch from now on. The position of Defender of the People, who will not only defend but also promote the defense of human rights, is also an interesting development. Nevertheless, it would be helpful to speed up the law and delineate spheres of action so that the defender and the attorney general—who is subordinate to whom?—will not end up quarreling and stepping on each other's toes.

Another good feature is the changes in the Comptroller's Office, the head of which will now be elected by both houses of Congress, not just one. The person will serve a term of six years and cannot be reelected. The concept of prior authorization has been eliminated, having been the cause of countless abuses, and now audits are conducted after the fact. In addition, the position of National Accountant is created. This may sound incredible, but there was no accounting in Colombia!

It was a good move to shrink the Bank of the Republic and its management of monetary policy (such a good idea, in fact, that even the Bank of the Republic campaigned for it). The revolution in planning is good, in that economics and law will finally be brought into harmony.

Also good are the mechanisms for citizen participation, such as referenda, plebiscites, and the possibility for people to introduce legislative initiatives. This will allow for an important reconciliation, hopefully once and for all, between the national country and the political country.

The mechanisms and guarantees for the protection of individual rights, such as the presumption of good faith among Colombians and the petition for protection [tutela], are positive developments. The latter will allow, for example, an opposition politician to demand that a judge in any town protect his rights, or a mother to force a school to accept her illegitimate child. The establishment of collective rights through popular action is a good idea.

And everything having to do with electoral reform is good, such as the "big card" ballot [tarjeton] and the future obligation of the state to provide voting mechanisms that will do away with invalid ballots once and for all. From now on the organization of elections will be done with complete autonomy, which will give this sector the status of a branch of government.

And notwithstanding any interesting little reforms I may have missed, I would say that this is the extent—and it is nothing to sneeze at—of the good features of the new constitution.

The Bad

Not a few members of the Constituent Assembly stayed up all night thinking of ideas in keeping with their notion that the progressive aspects of this reform were those that went in the direction of socialism. As a result, they were determined to go beyond the reform of 1936, when the modern idea was not to go further that way, but rather to come closer this way. This is clear in the so-called new bill of rights, a combination of principles, duties, guarantees, and liberties that add up to an orgy of demagoguery and populism. Rather than reflecting a politically modern country, the bill of rights looks more like a Christmas tree. It contains an excessive degree of state protectionism that would make the most diehard Stalinist blush. The rights of children, teenagers, youths, the elderly and the less elderly, women both young and old, the disabled, the paraplegic, the underprivileged and the overprivileged, and even gifted children—all are consecrated in the Constitution. This is wonderful, and there are even some articles that make you burst into tears. But the bad thing is that in a constitution you cannot guarantee people things that the state is not even remotely capable of providing, due to economic and practical limitations. Evidence of this is the fact that since 1936 we have been in violation of the constitutional obligation to guarantee Colombians free primary education ....

The new constitution from the outset guarantees that the state will assume a social debt to the Colombian people that is is absolutely incapable of paying. We know where economic debts lead to: seizure of assets. But social debts tend to lead to revolutions. Can you imagine the first mother of a baby born in Condoto, just to cite one example, going to the nearest health center to demand that her child receive his quota of free constitutional care? The worst thing about this explosion of citizen rights and the ensuing commitments that are impossible for the state to fulfill, is that they are already part of what in trade union jargon is known as "social conquests," which, like rivers, can never be turned back.

But perhaps even more serious are the innovations in terms of economic rights, which have many foreign and domestic investors thinking seriously about the future. The possibility of administrative expropriation of real property is opened up; as set forth in the relevant constitutional article, the expropriation is aggressive, and although it may not bite, it can definitely be said to bark. Not only will there be administrative expropriation of real property; personal property such as stocks can be expropriated as well. The article does not specify that it applies only to real estate. Another serious aspect, though very few have made mention of it, is the article stating that the state, "for reasons of sovereignty or social interest, may reserve for itself certain strategic activities or public services, provided that it compensates the persons who are deprived of the exercise of a legitimate activity." In other words, this is another type of expropriation. By determining that an activity is a public service or falls into a strategic economic area, the state can expropriate whatever it wants, from drug factories to private banks, and including—why not?—gas stations. If investors get scared, it is the workers who suffer. But these are truths that populism often muddles. Thus, while in the rest of the world, including former iron-curtain countries, the state is attempting to bring down barriers to foreign investment, in Colombia we feel we can afford to scare it off.

Another bad thing, although in essence and in principle the mechanisms of citizen participation are good, is the carnival of elections that have been consecrated: community, provincial, regional, departmental, and national.

The vice presidency, which will become a source of disruption, is clearly a negative development. While the position of designated president was a perfect system, since it never came into effect until a vacancy existed, the vice presidency will be occupied at all times. The incumbent's only function will be to wait for the president to be incapacitated, and Colombian history has shown, say the experts, that this has a tendency to encourage conspiracies.

Another bad, or rather absurd, element is the limitation of the state of emergency to a maximum period of 90 days a year, extendible for two more equal periods, in the interest of curbing the strength of the presidentialist system. From now on, presidents will need a fortune teller to find out whether to use up their state of internal unrest or economic emergency on the first incident that comes along, or to save it for some later development. What if a volcano erupts, for example, or a terrible winter storm blows in, or Father Perez besieges Bogota, after the government has used up the maximum period of 9 months for declaring a state of emergency?

Nor do we like the exaggeration in the area of parliamentary disqualifications; in the future, the only people who will want to run for Congress will be the very rich or the very stupid.

And what is really frustrating is the ban on presidential reelection. It makes no sense for a country like Colombia, which has already shown a reluctance to reelect its presidents, to deprive the public of the ability to reward its good rulers. But more than anything else, it does a tremendous disservice to Cesar Gaviria, whose youth made it very likely that he would emerge from the presidency sufficiently well prepared to return to office later on. His political career has been abruptly cut off and he has been unjustly and prematurely condemned to the boring role of ex-president until death.

That is the extent of the bad things, and that is plenty.

The Ugly

Seventy-four members of the Constituent Assembly submitted their own constitutional articles, and without exception, they claim that 80 percent of their proposals were passed. If we add up the 80 percent of the 74, we can understand why the document is inevitably mediocre, as is typical of products of consensus. The articles are incompatible and the language inconsistent. The new constitution falls far short of being a model of jurisprudential elegance. There are articles that are so barbarously worded that Caro and Cuervo must be spinning in their graves. And there are others that contain such obscure terminology that the next time we reform the Constitution we will undoubtedly be arguing over what they really mean. Like the one that says that "one of the minimum fundamental rights that must be guaranteed the workers is a minimum, vital, and mobile remuneration."

There are also extremely long articles that sound like Marxist speeches. Some are horribly obvious, such as the one prohibiting the sale of children in Colombia. Some sound like they came from a terror fest, such as the one prohibiting torture of Colombians, sexual abuse of children, or physical or moral violence against children. In other words, this is a constitution that prohibits tying children up with wire. Then there are the contradictory articles; for example, after asserting that all Colombians are equal before the law, the Constitution says in another article that "the rights of children come before the rights of others." And there are impractical articles, such as the one that says "all Colombians shall have the right to decent housing," and that "the state shall develop the necessary conditions for making this right a reality." And here is another one: "The education of people with physical or mental limitations, or with exceptional abilities" (read: gifted children) "is the special obligation of the state."

Also ugly is the excessive honoring of the flag, and uglier still is the insistence, throughout the document, on "Latin American and Caribbean integration," at a time when Colombia should be wooing the European Economic Community, not Haiti.

In short, what is ugly about the new constitution is that the zealous effort of the Constituent Assembly to win concessions or to make demands ended up dominating the terminology of the Constitution. Each member tried to have his or her own little article engraved in stone, either out of vanity, in representation of constituents, or out of true conviction.

As a result, we will be governed by an excessively regulatory constitution, half of whose articles really belong in the substantive and procedural codes.

But as they say, what is done is done, and in the case of the new national constitution, that is as it should be.

Paraguay

U.S. Soldier Accidentally Shot in Exercise

PY0808131491 Asuncion ABC COLOR in Spanish 8 Aug 91 p 19

[Excerpt] A U.S. soldier died in Concepcion on 7 August while participating in a combined exercise called "Fuerzas Unidas." The soldier's name was Juan Valdez and he was accidentally shot by another U.S. soldier. The incident occurred at 1445 [1845 GMT].

Joint training has been going on in the area of Concepcion within the framework of the combined exercise, which is carried out annually by Paraguayan and U.S. Armed Forces. To this end, a U.S. military delegation arrived in Paraguay last week on a C-130 Hercules airplane. The U.S. military personnel are part of the Southern Command, which is based in Panama.

In addition to the combined exercise, the visitors usually carry out social actions such as boring water wells and providing dental and medical care, etc. On 7 August the exercise was going on in the jurisdiction of the 5th Aca Vera Cavalry Regiment, based in Concepcion and commanded by Colonel Jorge Caballero.

According to information, members of a special U.S. unit were practicing hand-to-hand fighting, assault, and ambush exercises among themselves under the close observation of Paraguayan troops. The simulated confrontation was being carried out with weapons using blank ammunition when the incident in which one of the soldiers was killed suddenly occurred because one of the rounds was a real one. An M-16 rifle was involved in the accident.

The body of the unfortunate soldier was transferred to our capital. Today it will be sent to the United States on a special flight. The "Fuerzas Unidas" exercise will conclude this weekend. [passage omitted]

Polish Foreign Minister Arrives for Talks 6 Aug

PY0708131691 Asuncion ABC COLOR in Spanish 7 Aug 91 p 10

[Text] Foreign Minister Alexis Frutos Vaesken has met with Polish Foreign Minister Krzysztof Skubiszewski in a historic visit to this city. They met at the Asuncion International Airport on 6 August. The visiting foreign minister will sign documents of a diplomatic nature on 7 August.

The Polish foreign minister arrived in Asuncion on board a Varig flight at approximately 1500 [1900 GMT] and was met by our foreign minister and other officials.

After receiving military honors, he spoke to the press. "This is the first time that a Polish foreign minister has visited Paraguay," he said. He also said that his and our country are experiencing fundamental democratic transformations, adding that lines of communication can now exist that could not have existed before.

He said: "Our two nations are experiencing democratic transformations. We have never had relations and therefore we must now do everything possible to overcome this lapse."

He indicated that Latin American countries, including Paraguay, are very important for Polish foreign policy. He stated that establishing diplomatic relations and the possible signing of economic agreements are his main objectives while he is here.

Frutos stated that the arrival of the Polish foreign minister "is very encouraging for our country's new foreign policy. It represents an opening toward the countries, including ours, that seek a better future."

The Polish foreign minister is the highest ranking authority from an East European country to have visited our country and it marks an important chapter in the history of Paraguayan diplomatic relations.

Comments on Ties, U.S. Aid

PY0708214891 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0259 GMT 7 Aug 91

[Interview with Polish Foreign Minister Krzysztof Skubiszewski by Benjamin Fernandez at the Cerro Cora Sistema Nacional de Television studio in Asuncion on the weekly "Punto de Encuentro" program, monitored in progress—live, in English with simultaneous translation into Spanish]

[Excerpts] [passage omitted] [Fernandez] Are there any chances of establishing diplomatic relations between Paraguay and your country?

[Skubiszewski] Yes. We are already doing so; we already have decided to establish relations. I think the Polish ambassador will begin working here in Paraguay soon. For the time being, he will not be based in Asuncion due to financial problems. Our diplomatic relations will be established very soon, indeed. [passage omitted]

[Fernandez] How do you see the reaction of other countries, such as the United States, to the political changes that are taking place in your country? They always call for changes in Eastern Europe but now that these changes are taking place it seems as if they are not willing to contribute to them.

[Skubiszewski] I do not agree with you. In my opinion the United States has done quite a lot to help Poland continue with the changes. The United States, together with other Western industrialized countries, was responsible for creating aid programs for Poland in 1989 and 1990, and we continue to receive this help. For example, a stabilization fund has been created with $1 billion to help us make our currency convertible. The U.S. contribution to this fund was significant. They contributed a nonreimbursable credit. The United States also has helped us reduced our foreign debt by 50 percent, which is something without precedent in Polish foreign debt history due to the amount it entails. I believe the United States has and continues to play a significant role. Our relationship with the United States is very good. The United States does not interfere in our domestic affairs, but they give us considerable help in the economic field and others that helps us preserve our independence, which is something very important. Sometimes it is easy to obtain independence but very difficult to preserve it. [passage omitted]

[Fernandez] My last question is: What can we do to improve the Polish-Paraguayan relationship?

[Skubiszweski] I think we can develop our trade. We must look into the possibilities of importing from Paraguay and of exporting to Paraguay certain industrial goods such as tools and machinery. I think there are certain prospects for cooperation in the agricultural sector, which is very important for Paraguay. We have several factories that produce agricultural machinery and tools that can be used in the field of cooperation. I think we should set up or at least think of setting up joint ventures between Poland and Paraguay. If we had such joint ventures, then we could take a step forward and think of cooperation with third countries. We should reach an economic cooperation agreement and then try to get the private sectors of our two countries to do business. We must find means of cooperation in various fields.

[Fernandez] Mr. Skubiszweski, I would like to thank you for coming to our program and hope that your visit to Paraguay will be beneficial for your government and for the relationship between our two countries.

[Skubiszweski] It has been a pleasure talking to you.

Signs Visa Accord, Leaves

LD0808102891 Warsaw PAP in English 0747 GMT 8 Aug 91

[Text] Asuncion, Aug. 8—Polish Foreign Minister Krzysztof Skubiszewski ended on Wednesday his official visit to Paraguay, the first ever paid by a Polish foreign affairs official to this country, with the signing of a visa agreement.

The programme of the visit included Skubiszewski's talks with Paraguay President Andres Rodriguez and meetings with leaders of the Senate Gustavo Diaz de Vivar and of the Chamber of Deputies Jose Antonio

Moreno Rufinelli. On Tuesday the Polish minister granted an extensive interview to the Paraguayan TV.

Krzysztof Skubiszewski and his Paraguayan counterpart, Alexis Frutos Vaesken, headed on Wednesday talks of delegations of the two countries, and later on signed an agreement on the lifting of the visa requirement for diplomats and business travelers.

In a communique issued after the talks, the sides expressed their will to animate bilateral cooperation in various domains and to work together for the proper implementation of the U.N. Charter and the observation of basic human rights. The governments of the two countries will consider shortly the signing of a trade accord, the communique said.

While in Asuncion, Minister Skubiszewski met with FIFA President Joao Havelange, who stayed in Paraguay in connection with the observances of the 75th anniversary of the formation of the South American Soccer Federation.

Krzysztof Skubiszewski left Paraguay on Wednesday for the next leg of his South American tour—Chile.

Lacalle Lands Due to Mechanical Problem

PY0808134291 Asuncion ABC COLOR in Spanish 8 Aug 91 p 10

[Text] The airplane transporting Uruguayan President Luis Alberto Lacalle suffered mechanical problems last night while overflying Paraguayan territory and had to land at Silvio Pettirossi International Airport. After repairs, the Uruguayan chief of state departed for Montevideo. President Andres Rodriguez went to the airport to greet his colleague.

Lacalle had just concluded an official visit to Bolivia, where he met with President Jaime Paz Zamora. He departed for Montevideo in the afternoon of 7 August from El Alto Airport in La Paz on a Bolivian Air Force plane (FAB-001).

The plane landed at our main airport, where it was refueled. FAB-001 arrived at 1830 and Lacalle was met by Rodriguez and Foreign Minister Alexis Frutos Vaesken. The two chiefs of state and the foreign ministers of Paraguay and Uruguay talked for over 30 minutes in the presidential lounge

The presidential plane took off at 1916, but 10 minutes later the pilot noticed a mechanical failure and the plane returned to Asuncion.

It landed again at 1916 [as published] and the plane was immediately inspected by airport technical personnel. Once repairs were made, Lacalle and his entourage again took off for the Uruguayan capital.

It has been learned that the mechanical trouble was not serious, but for security reasons the plane had to land at the nearest airport—in this case, Asuncion.

Local BCCI Branch Said Operative But Inactive

PY0608135891 Asuncion NOTICIAS in Spanish 6 Aug 91 p 13

[Text] It was verified on 5 August that although it is observing normal banking hours, the Paraguayan branch of the Bank of Credit and Commerce (Overseas) International [title given in English] (BCCI) has not been observed to carry out its normal daily operations. Few clients have been observed within the institution, and practically all savings and current accounts have been closed according to sources of the Paraguayan Central Bank (BCP).

It has been unofficially reported that an order to close is now being awaited from the BCCI headquarters in the Cayman Islands. The closure of other Latin American branches has already been authorized. There is also talk of negotiations to purchase the assets of this branch among a group of Paraguayan businessmen.

Regarding the dollar savings accounts that were frozen on orders of the BCCI headquarters, it is reported that they have been confirmed which means that the savings will be returned to their owners once the accounts are unfrozen.

World Bank, IDB Delay Credits Because of Debt

PY0708155891 Asuncion NOTICIAS in Spanish 6 Aug 91 p 16

[Excerpt] According to Paul Sarubbi, director of the Highway Maintenance Department, some road construction works are not progressing because of a delay in receiving World Bank and IDB credits. Sarubbi said that only 17 percent of the scheduled road construction works have been carried out.

Sarubbi said that the majority of the most important highway construction projects are not progressing because international organizations have delayed the issuance of funds following the delay in the Paraguayan foreign debt renegotiation.

Sarubbi explained that in view of this situation, only 17 percent of the highway construction works scheduled for this year have been carried out. He said, however: "Fifty percent of what has been built has been achieved with national funds." [passage omitted]

Souto Discusses Future of Armed Forces

PY0708234291 Asuncion ABC COLOR in Spanish 6 Aug 91 p 4

[Text] During an interview yesterday the national defense minister, Brigade General Angel J. Souto, reiterated that the "party-government-Armed Forces trilogy is definitely a thing of the past." He also said the Armed Forces wish to return to barracks and become more institutionalized in order to support the democratic process. Minister Souto also referred to the Armed Forces reorganization bill submitted to Congress and compulsory military service, among other subjects. The

interview took place while the Defense Minister toured the House of Culture with a group of legislators.

When he was asked whether the Armed Forces continue to uphold the national security doctrine, the minister answered: "I believe that the moment the Armed Forces express the wish to return to barracks and do away with the paternalistic system that used to prevail, it means they no longer uphold the national security doctrine. We are on to something different; we are here to fulfill the role entrusted to us by the Constitution and the laws. I do not see why we should claim be the absolute leaders or the ones who have the last word in everything the government does."

Souto admitted that the change of mentality currently taking place within the Armed Forces will take some time to become consolidated. He explained: "The Armed Forces gradually will return to barracks and carry out their duties."

Souto also mentioned that this subject had been raised on various occasions by the Armed Forces' commanders but that the subject of the Armed Forces' tutelary role in this transition phase is very difficult and complex. Souto added: "It is as if the Armed Forces were the ultimate judges of everything that should or should not be done."

When asked whether or not that was the case, Souto said: "No. That is not the case. Quite the contrary, now that we realize that the people, the government, and the political parties are assuming their corresponding roles, some internal infighting that hindered the process is ending, and I believe that the Armed Forces are beginning to realize they should concentrate on their specific mission."

Moreover, when asked whether the Armed Forces should remain as they are and about the fact that military service is compulsory, the defense minister said: "Paraguay is not ready for a voluntary military service system. It still has to be compulsory. There are still many factors that make it necessary for the Armed Forces to operate with the number of troops it currently has."

The minister later commented in a suggestive manner: "If you were to analyze the current developments, you would see that things are not as simple as they seem to be."

When asked to explain what he meant, Souto said: "I am not going to go into details. Just look around you and you will see that things are not as simple as they seem to be."

The journalists again asked him whether he was aware of any imminent threat, and he reiterated that it was just a matter of looking around to see what is happening currently without giving any details. However, when asked again, he admitted: "Drug trafficking is one of the subjects."

When he explained that one of the Armed Forces' objectives was to promote the civilian-military dialogue, Souto said: "The Colorado Party-government-Armed Forces trilogy is definitely something of the past. The Armed Forces now wish to return to barracks, to become more professional, more institutionalized, and become more directly in contact with the people."

When asked whether the Armed Forces wish to, "de facto," preserve and safeguard power in the country by stating in their project that the Republic's president can give the Armed Forces' leadership to an Army general, Souto said: "I believe that all the constitutions of the world state that the president of the republic, should he be a civilian, may delegate the armed forces' leadership to the army commander because the armed forces are managed in a very professional way, and in order to be able to do so one must know how to manage them."

Military Men Meet With Political Leaders

PY0708134091 Asuncion ABC COLOR in Spanish 6 Aug 91 p 2

[Text] Febrerista Revolutionary Party (PRF) and Christian Democratic Party (PDC) leaders yesterday met, for the first time during this transition process, with the top generals of the Armed Forces. The meeting, held within the framework of the civilian-military dialogue promoted by the Armed Forces, was described by the politicians as "historical and positive." The politicians indicated that the generals confirmed their position of respecting the people's will in 1993 [when presidential elections will be held.]

The opposition parties' spokesmen said that the meeting, promoted by the Armed Forces members, was marked by the lack of in-depth discussion of conflictive issues and was carried out without a given and specific agenda.

According to remarks after the meeting, the politicians and the military men discussed a bill on the creation of an Army commander's office. General Lino Cesar Oviedo, 1st Cavalry Division commander, explained the need to create the post of Army commander.

The meeting was held at the house of General Regis Romero. It was attended by Vice Admiral Eduardo Gonzalez Petit, Generals Emilio Balbuena, Eumelio Bernal, Humberto Garcete, Dionisio Cabello, Lino Cesar Oviedo, and Dr. Raul Sapena Brugada, the secretary general of the presidency of the Republic. They are all members of the coordinating commission of the civilian-military dialogue.

The PRF was represented by its president, Dr. Euclides Acevedo; vice president, Dr. Juan G. Granada; secretary general, Dr. Benigno Perrota; and leader Carlos Martini. The PDC was represented by its president, Dr. Jose Angel Burro, and executive board member Dr. Secundino Nunez.

The meeting lasted about three hours. The participants stated that at the beginning it was difficult to break the "ice," but the meeting progressed without much protocol and, according to political scientist Carlos Martini, various issues were openly discussed.

The PRF leader explained: "We discussed the issue of the Armed Forces and their budget. We also discussed the serious social difficulties that Paraguay is confronting in this transition process, the role that the state should play, compulsory military service, and the civic training received by the Army personnel, etc."

The opposition leaders announced that the Armed Forces have pledged to continue with this type of meetings "to bring closer all sectors of Paraguayan society and to cooperate in strengthening democracy."

Generals Talk With Media Owners, Journalists

PY0708225691 Asuncion ABC COLOR in Spanish 7 Aug 91 p 2

[Text] During a meeting with media publishers and journalists on 6 August, the Armed Forces' top-ranking generals once again reaffirmed their desire to remain aloof from political and party activities, and they explained the reasons and fundamentals of the project for military reorganization they have submitted to Congress. Press freedom and the lack of confidence of a large sector of the population with regard to the military's initiative also were discussed during the meeting.

The Coordinating Board members of the civilian-military dialogue repeatedly emphasized the commitment the Armed Forces have in the consolidation of this democratic process. The power the military men of our country have was criticized during the meeting, and some of the journalists indicated that there will only be confidence in the words of the Armed Forces' members when events demonstrate that there is no difference between civilians and military men.

Generals Lino Oviedo, Anibal Regis Romero, and Humberto Garcete repeatedly reaffirmed that the present Armed Forces will not carry out political or party activities anymore. They even indicated that generals, colonels, and other ranks will not be allowed to participate in that type of activity.

Moreover, they asked for the help and understanding of the men of the press because they admitted that the task of changing the mentality of and re-educating members of the Armed Forces is not an easy job.

During the meeting, Gen. Garcete promised: "From now on the Armed Forces will not support groups, sectors, and political parties because we are seeking national concord."

"We have decided to be apolitical," he stressed, and then highlighted the fact that the media will have total freedom to criticize the Armed Forces' errors and defects.

Regarding the lack of confidence toward the military's initiative to spur the civilian-military dialogue, Air Force Commander-in-Chief General Dionisio Cabello indicated that there is nothing covert in the initiative of Armed Forces members that could benefit them in the future.

Gen. Regis Romero also referred to this topic, and he indicated that the military accepted the people's lack of confidence, and he stated that "no type of impunity" is being sought in the meetings with civilian society. "We are seeking the reconciliation of all Paraguayans."

During the meeting, some of the journalists highlighted the fact that they had no confidence in the speeches and words. Humberto Rubin, the owner of Radio Nanduti, directly indicated that he did not believe in the military's intentions in spurring this undertaking.

The well-known radio man said, "I do not believe in you because I do not believe that a change can be made so quickly. Just a little while ago [Interior Minister] General [Orlando] Machuca Vargas told congressmen that they could grumble, grumble, grumble when they criticized him for violating the Electoral Code. We are not going to change the country with words and rhetoric. I am afraid of the trafficking of influence. I need to see that a general is judged just as severely as a civilian by the Judicial Branch. Only then will we be able to have confidence in the military."

The publisher of ABC COLOR [Aldo Zuccolillo] shared Rubin's opinion, and Father Isidro Salgado, who represented the newspaper NOTICIAS, expanded the idea, indicating that he was afraid of the intention expressed by the military of wanting to place conditions on the press in order to obtain national concord.

Rubin's remark brought an immediate reaction from General Emilio Balbuena, who accused the Radio Nanduti owner of being haughty because it seems that he was forgetting that "he can disagree thanks to us."

"We do not want impunity; we want justice. We do not want to whitewash ourselves; we want freedom for all Paraguayans," Balbuena said.

Squatters Clash With Police, Soldiers

PY0708223891 Asuncion ABC COLOR in Spanish 7 Aug 91 p 11

[From the ABC COLOR bureau in Ciudad del Este]

[Excerpt] Occupants of property owned by the Acaray Social Club clashed yesterday with police and military forces. The squatters opposed an eviction order issued by Judge Dr. Vidal Maciel.

About 500 "homeless" ["sintechos"] people marched onto the Bridge of Friendship [over the Parana River on the Brazilian border] to close the border pass, but were stopped by personnel from the Naval Base and the Alto Parana Government Delegate's Office who shot into the air to intimidate the demonstrators. As a result of the violent clashes, two people were detained and several people on both sides were bruised and injured. [passage omitted]

Peru

Car Bomb Injures Four, Damages Factory Facade

PA0808042991 Madrid EFE in Spanish 0341 GMT 8 Aug 91

[Text] Lima, 7 Aug (EFE)—At least four persons were critically wounded when a car bomb exploded today in front of a textile factory located in Lima's industrial sector, police have reported.

The explosion, which took place in a sector close to Argentina Avenue—one of the thoroughfares that link the Peruvian capital to the port of El Callao—also caused considerable damage to the textile factory's facade and installations, as well as to other companies located near the factory.

Witnesses said that the injured persons were pedestrians who were walking by the area when the explosion occurred—after three unidentified persons had left the vehicle in front of the factory and quickly fled the premises.

Furthermore, the Peruvian Armed Forces Joint Command reported that a policeman and a civilian were wounded today when security forces repelled an attack from a column of the terrorist pro-Guevara group Tupac Amaru Revolutionary Movement (MRTA) in the town of San Jose de Sisa, located in the jungle in San Martin Department.

Newspaper sources also said that one of the MRTA's leaders, Stalin Davila, was captured by the police near Pucallpa, Ucayali Department, in the country's jungle region.

Union Demands Resignation of Education Minister

PA0808135791 Lima Global de Television Network in Spanish 0100 GMT 8 Aug 91

[Text] About 500 Sutep [Trade Union of Education Workers] teachers staged a violent protest outside the Legislative Palace, while others protested inside against today's government measure declaring the teacher's strike illegal. Outside there were violent clashes between demonstrators and policemen, in which both left-wing Deputies (Bernardo Odolmos) and Vladimiro Begazo behaved violently. There was much commotion.

[Begin recording] [Sutep leader Jose Ramos] The government does not know what it is doing. It has taken a punitive, illegal, and unconstitutional measure against the teachers. The government's sole objective—as has always been the case—is to privatize Peru's eduction system once the school year ends.

[Reporter] Are you saying that the supreme decree goes further? Not only does it declare the strike illegal, but it practically uproots the national education system?

[Ramos] Exactly. The government, with its supreme decree, is ruining the entire education system and causing disorder.

[Reporter] What brings you to the congress today?

[Ramos] We have come to request that the education minister be summoned. The Sutep is demanding the immediate resignation of incapable [Education Minister Francisco] De La Fuente, who is harming the education system, the teachers, and the country.

[Deputy Vladimiro Begazo] We have come to coordinate with all the deputies from the full political spectrum to present a summons request tomorrow. The summons will not be very long. It will very precise with approximately five questions.

[Reporter] When will the summons be held?

[Begazo] The chamber of deputies begins its sessions now. This should be one of the first issues they will handle. [end recording]

British Army Commander Arrives for 6-Day Visit

PA0808030891 Paris AFP in Spanish 0105 GMT 6 Aug 91

[Text] Lima, 5 Aug (AFP)—A spokesman for the British Embassy in Peru has disclosed that John Chapple, general commander of the British Army, arrived from London on Monday on an official six-day visit as part of a tour that will also include visits to Brazil and Colombia.

The British commander arrived at Jorge Chavez International Airport, where General Pedro Villanueva Valdivia, his Peruvian counterpart, and Ambassador Donald Keith Haskell greeted him.

It was reported that Chapple will meet with Peruvian political and military authorities, and possibly with President Alberto Fujimori.

The British general's visit will include Cusco, America's archaeological capital (1,300 km southeast of Lima), and the areas that have been declared emergency zones due to terrorist violence—violence that has claimed more than 23,000 lives over the past 11 years.

Air Force To Purchase Fleet of Chinese Planes

PY0708163991 Lima LA REPUBLICA in Spanish 23 Jul 91 p 6

[Text] The Peruvian Air Force [FAP] has reported that it will purchase a fleet of Chinese [not further specified] planes to support existing commercial flights to a broad sector of the Amazon Region. FAP Commander Marco Arevalo Garcia reported the decision at the Yarinacocha Air Base. He added that over the last few years the FAP has been covering the Iquitos, Orellana, and Pucallpa route and the Pucallpa, Atalaya, Sepahua, and San Ramon route using TAM-type planes.

Currently, however, the FAP has temporarily suspended its commercial flights to Purus for lack of planes. Flights to Purus used to be partially covered by the Aerochasqui Company plane that was downed in Bellavista.

Arevalo Garcia reported that during the cholera epidemic, the FAP rendered effective service to the people by deploying several ground units to the region.

Guyana

Ruling Party Retains Hoyte, Green as Leadership

FL0508122291 Bridgetown CANA in English 2105 GMT 4 Aug 91

[By Urrell Wilkinson]

[Text] Georgetown, Guyana, Aug 4, CANA—Guyana's ruling People's National Congress (PNC) returned President Desmond Hoyte and Prime Minister Hamilton Green unopposed as party leader and deputy leader at a delegates congress which ended here Sunday.

The congress, held ahead of general elections due by yearend, also returned the Central Executive Committee en bloc, and retained Seeram Prashad and Urmia Johnson as general secretary and assistant general secretary, Congress Spokeswoman Faith Harding told reporters Sunday.

Hoyte, widely speculated here to be facing a leadership challenge by Green until Green called Thursday for united support for a single leader, was addressing an end-of-congress public rally here Sunday evening.

Harding, briefing reporters on the outcome of the elections held Saturday and declared Sunday, repeated the congress message that the party is facing the coming election with a worthy record and united, saying it is not only a mature party but has shown that democracy, cohesiveness and application, unlike "disorganised, myriad groups, calling themselves political parties".

"I don't think there is bad feeling (between Hoyte and Green)... I have never sensed a rift.

"... Whenever I have seen the president and the prime minister together they are always in a unified position... I have always seen the prime minister paying deference to the president and in terms of leadership there has always been deference to the leadership," said Harding, a government minister responsible for the public service.

"Mr Hoyte stands tall and strong in our party and there is no question as to who the leader is in the party. There is no question about it," Harding said.

The independent STABROEK NEWS Saturday reported that the rumoured leadership split in the party was averted only after the intervention of special adviser to Hoyte and party "elder statesman", former Prime Minister Ptolemy Reid.

A former Green associate told CANA Green is still seen to be "walking in the shadow" of late President Forbes Burnham and is dissatisfied by apparent policy reversals in Hoyte's divestment programme and other liberalisation.

The congress was run on a budget of G6 million dollars (one Guyana dollar ; 0.80 US cents) but collections from donors and delegates exceeded 10 million dollars, Harding said.

Hoyte Defends PNC Unity Against Charges

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[Text] Georgetown, Guyana, Aug 7, CANA—The ruling People's National Congress [PNC] remains "intact, solid, unshakable, and unbreakable," despite opposition attempts to portray the party as disunited, President Desmond Hoyte has said.

"I have no doubt that our opponents are disappointed. All the confusion they were predicting has not come to pass, and what they are now confronted with is a solid and powerful phalanx of the People's National Congress," he said during a rally this week. The remarks followed speculation of a possible leadership challenge from Prime Minister Hamilton Green at the party's recent congress.

"(PNC unity) was amply shown on the very first day of congress when the deputy leader issued a statement entitled Party Unity, Strength, and Unequivocal Support From Party Leadership, in which he effectively scotched once and for all all these rumours that were being peddled by the opposition about disunity within our ranks," Hoyte said.

He expressed the hope that newspapers, which had a "field day in misrepresenting the true position in our party to the public," had the grace and professional ethics to now report properly on the true position of unity in the PNC.

"In order to emphasise this spirit of unity and solidarity, Congress returned en bloc the Central Executive Committee [as received], thereby signalling that Congress had full faith and confidence in the leadership of this party," the Guyanese leader said.

"And Congress was not about to indulge in any experiment at this time of impending elections."